

## **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>	Institut der Wirtschaftsprüfer (IDW)
<b>Approved by Governing Body:</b>	IDW Executive Board
<b>Last Updated:</b>	April 2019
<b>Next Update:</b>	April 2023

---

<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.

**GENERAL: Action Plans by IFAC Members in Germany**

The IDW represents the Wirtschaftsprüfer profession; membership in the IDW is voluntary. This Action Plan reflects the SMO activity areas where IDW has chosen to answer on behalf of the German professional organizations (SMOs 2, 3, 5 and 7). Please refer to the Action Plan prepared by Wirtschaftsprüferkammer (WPK) for information about other SMO activity areas (SMOs 1, 4 and 6).

## **GLOSSARY**

CPD	Continuing Professional Development
HGB	German Commercial Code (Handelsgesetzbuch)
IAASB	International Auditing and Assurance Standards Board
IAESB	International Accounting Education Standards Board
IASB	International Accounting Standards Board
IES	International Education Standards
IFRS	International Financial Reporting Standards
WPO	German Public Accountant Act (Wirtschaftsprüferordnung)
WPK	Wirtschaftsprüferkammer

**Action Plan Subject:** SMO 2 and International Education Standards for Professional Accountants and Other IAESB Guidance  
**Action Plan Objective:** Continue to use best endeavors to adopt and implement International Education Standards for Professional Accountants and other IAESB Guidance

## **Background**

### **1. Overview of education routes as a prerequisite to the Professional Examination**

#### **1.1 Educational routes**

The WPO sets forth different routes for admission to the profession of Wirtschaftsprüfer: Traditionally, candidates need to have a university degree in addition to professional work experience of at least three years, which is extended to four years when the prescribed degree course is shorter than eight semesters. Candidates without a university degree may sit the professional examination after having worked for at least 10 years in auditing or at least five years as a Steuerberater (licensed tax advisor), although this route is no longer significant in practice. Candidates already approved to carry out statutory audits of annual accounts and consolidated accounts in a European Union Member State or a Treaty Nation in the European Economic Area or in Switzerland may sit an aptitude test.

#### **1.2 The typical professional route – requirements for admission for university graduates**

As a prerequisite for admission to sit the examinations for Wirtschaftsprüfer, candidates must have undertaken a specific type of further education (§ [Article] 8 WPO [Wirtschaftsprüferordnung - German Law Regulating the Profession of Wirtschaftsprüfer]), - typically a course of university studies in business administration, although the WPO does not stipulate specific subjects - and also have obtained sufficient practical experience for the exercise of the profession (§9 WPO).

The profession of Wirtschaftsprüfer requires a university education of at least first degree level. In addition to auditing, the subjects covered during the professional examination include the core competencies of the profession: primarily tax advice and the representation of clients in tax proceedings, as well as services in the capacity of a technical expert and consultant in all areas of business management.

#### **Practical experience:**

Practical work experience provides young Wirtschaftsprüfer with the occupational skills that cannot, or cannot yet, be taught as part of a degree course. After gaining their degrees, university graduates must provide documentary evidence of their practical experience (work as auditors) of at least three years. When the prescribed degree course is shorter than eight semesters, this is extended to four years. The work experience must be gained with a person, firm or auditing institution specified in § [Article] 9(1) WPO (e.g. legally recognized audit firms in Germany and other EU Member States), and certain activities outside auditing can be credited for up to one year. These include, e.g., working for the WPK, IDW, Deutsches Rechnungslegungs-Standards Committee [Accounting Standards Committee of Germany – DRSC], the audit office for accounting or in a Prüfungsverband [Cooperative Audit Association] pursuant to § [Article] 26(2) 2 Kreditwesengesetz [German Banking Law - KWG], but also work as a Steuerberater [licensed tax advisor] or internal auditor in a major company. Work experience acquired abroad will also be credited if it was obtained working for a person authorized or appointed as a statutory auditor in the foreign country and if the preconditions for the authority or appointment are significantly equivalent to the relevant provisions of the WPO. Within this period of work experience, each candidate must, for not less than two years, undertake audit work for a person, firm or institution authorized to carry out statutory audits (Wirtschaftsprüfer, Wirtschaftsprüfungsgesellschaften, vereidigte Buchprüfer, Buchprüfungsgesellschaften; audit institutions that employ Wirtschaftsprüfer; audit institutions in a European Union Member State or a Treaty Nation in the European Economic Area), and during this period must be involved predominantly (for not less than 53 weeks) in statutory audits and in drawing up long-form audit reports.

### **1.3 Other qualification routes**

The typical education route is via university degree. However, the WPO does permit exceptions by which evidence of defined practical work, supplemented by other professional qualifications, where applicable, can compensate for the absence of a university degree.

### **1.4 The new educational route – Master's degree pursuant to § [Article] 8a WPO**

No university studies in Germany are available that would lead directly to the profession of Wirtschaftsprüfer. The Wirtschaftsprüfungsexamens-Reformgesetz [German Law Reforming the Examination of Wirtschaftsprüfer Candidates] has paved the way for a degree course to train Wirtschaftsprüfer and give them partial credit towards the final examination. This degree course is subject to special accreditation. A master's degree course that has been accredited pursuant to § [Article] 8a WPO provides training directed towards working as a Wirtschaftsprüfer. The entrance requirements are a relevant first degree – ideally a bachelor's degree in business administration, at least six months' work experience in auditing as well as passing an entrance examination. The two-year master's degree is characterized by being highly directed towards practical application. The course content is aimed towards preparing students to work as auditors and the professional examination. Candidates are entitled to sit the Wirtschaftsprüfer professional examination upon successful completion of this master's degree programme. Candidates may sit the examinations directly following the completion of their master's degree. The results of the examinations for applied business administration/economics and commercial law taken as part of this degree program are fully accredited towards the Wirtschaftsprüfer professional examination, thereby exempting candidates from the corresponding examinations. In this situation, the Wirtschaftsprüfer professional examination is limited to two subject areas, for each of which two written examinations and an oral examination are obligatory. The Wirtschaftsprüfungsexamens-Anrechnungsverordnung (WPAnrV) [Professional Examination Accreditation Regulations] regulates procedural details. The reference framework and the curricula pursuant to the WPAnrV set forth the required content and learning outcomes of the master's program. An official appointment as a Wirtschaftsprüfer cannot take place immediately when such candidates have passed the professional examination, because there is a requirement for at least three years' work experience. However, the entire period of work experience gained subsequent to the awarded bachelor's degree is accredited as practical experience.

## **2. Professional Examinations**

### **2.1 Typical examination route**

The professional examination, held twice-yearly, comprises written and oral examinations. Written examinations, which are uniform throughout Germany, are held in February and August each year. The WiPrPrüfV [Wirtschaftsprüferprüfungsverordnung - Professional Examination Regulations] regulates the details of the examination procedures.

### **2.2. Professional Examination requirements**

The content of the Wirtschaftsprüfer professional examination are stipulated in § [Article] 4 WiPrPrüfV.

### **2.3 Professional Examination requirements:**

§§ [Articles] 4 and 7 WiPrPrüfV (subjects and number of written examinations):

- Auditing of businesses, business valuation and professional requirements
- Applied business administration, economics
- Commercial law
- Tax law

The joint WPK/IDW working party dealing with the reform of the Wirtschaftsprüfer Professional Examination has produced a document establishing the detailed content of the syllabus for each subject covered in the Professional Examination. The syllabus generally exceeded what was required in the old IESs and the self-assessment of this syllabus is part of the Compliance Process of the Common Content Project, which demonstrated

virtually complete compliance with the 2015 IESs.

#### **2.4. Abridged Professional Examination**

As explained above, the Wirtschaftsprüfungsexamens-Reformgesetz [Professional Examination Accreditation Regulations – WPAnrV] created the means by which certain examination results gained during a university degree course can be accredited towards the final exam. However, the examinations at university must be equivalent to the requirements in the final professional examination. When these are equivalent, the exams at university then exempt candidates from the written and oral examinations on the respective subject. Accreditation is provided only for two subjects: applied business administration/economics and commercial law.

The WPO provides for alternatives in this respect:

- The successful completion of a master's degree program accredited under § [Article] 8a WPO exempts candidates from two subjects: applied business administration/economics and commercial law in the professional examination, which means that the professional examination is limited to two subjects for each of which candidates then sit two written examinations and an oral examination.
- Under § [Article] 13b WPO, examination results achieved during a university degree course (e.g., a diploma, bachelor's, master's degree course or in a course concluded by a state examination) can be accredited provided the Examination Unit has determined their equivalency in terms of content, form and scope. §§7 et seq. WPAnrV sets forth preconditions in respect of form and content for establishing equivalency and also regulates the procedure. Prior to the start of each semester universities may apply, in advance, to the Examination Unit for confirmation that the respective written and oral examinations they plan to have accredited are equivalent to those of the professional examination. The degree course relevant to such accreditation must have been successfully completed no longer than eight years prior to the date of admission to the Professional Examination.
- An abridgement pursuant to § [Article] 13 WPO (for German tax advisors) may be claimed together with an abridgement pursuant to § 8a WPO or §13b WPO (recognized equivalent examinations). An abridgement in accordance with §13 WPO seems, however, not relevant for those candidates choosing the training route in accordance with §8a WPO.

#### **2.5 Examination Unit for the Professional Examination at the WPK**

Applications for admission to the professional examination must be submitted to that WPK's state office at which the examination candidate wishes to sit the written and oral examinations. The office chosen cannot be changed during the examination process. Written examinations, which are uniform throughout Germany, are held in February and August each year.

#### **2.6 Preparing for examinations**

The IDW Akademie offers various courses and training seminars etc. to guide students through their practical work experience.

As explained below, the IDW Akademie, apart from other organizations, offers training courses for candidates that have begun their employment with a member of the profession. These training courses are taken during the period of work experience and concentrate on the key areas that Wirtschaftsprüfer deal with day-to-day: auditing, taxation, business administration and law. These courses aim to review, deepen and extend the basic knowledge candidates have acquired during their university education as well as imparting important practical knowledge.

#### **3 Aptitude test for statutory auditors from EU/EEA Member States or Switzerland (§§ [Articles] 131g ff. WPO**

Candidates already approved to carry out statutory audits of annual accounts and consolidated accounts in a European Union Member State or a Treaty Nation in the European Economic Area or in Switzerland may sit an aptitude test. Upon application and payment of a fee, the Examination Unit provides binding information on compliance with the admission requirements. The aptitude test is an independent examination, but is abridged in comparison with the standard professional examination, because applicants already have a comparable professional qualification. Those German statutory requirements that are important for exercising the profession constitute the subjects examined. These include tax law,

commercial law and the regulations governing the Wirtschaftsprüfer profession. The aptitude test consists of a written examination comprising two papers and an oral examination, all of which are held in German. The procedure corresponds largely to that of the professional examination. The examination is held once each year. Details are regulated in §§ [Articles] 25 to 35 of the Wirtschaftsprüferprüfungsverordnung [Professional Examination Regulations - WiPrPrüfV].

Examination tutoring on a voluntary basis for the final examination (WP-Exam), in which most examination candidates participate, usually requires an additional 1 or 2 years of part-time study during the period of practical work experience. Courses are provided by private organizations. It is not the responsibility of the IDW or the WPK to suggest how such professional programs should be organized or to ensure their relevance and quality.

**Special events organized by the IDW:**

Examination candidates can attend specific events organized by the IDW, such as lectures and talks organized by the IDW's state groups, dealing with current questions pertaining to the day-to-day work of the Wirtschaftsprüfer.

All written assessment questions in the professional examination are set by a special commission (Aufgabenkommission) with 9 members from different sectors. Seven of them are non-practitioners and are from the following sectors: State Ministries, examination unit of WPK, universities, lawyers, tax administration, and industry). Two members are practitioners (WPK members). All markers are members of the Examination Commission (Prüfungskommission) and come from the above-mentioned sectors (with one exception: there is no representative on the examination unit of WPK on the Examination Commission). Members of both commissions are appointed by the WPK Council. This appointment needs the consent of the Federal Ministry of Economics.

The requirements for continuing professional development are established through different laws or bylaws: Wirtschaftsprüferordnung - WPO Public Accountant Act - and WPK Bylaws. These bylaws set forth a legal duty of continuing education for all members of the WPK of no less than 40 hours/year. In addition, under the IDW's Articles of Incorporation, each member is required to ensure that their CPD meets their professional practice needs: The IDW requires 40 hours of CPD a year.

#	Start Date	Actions	Completion Date	Responsibility	Resource
<i>Maintaining Ongoing Processes</i>					
<i>Ongoing information to IDW members in respect of new developments in IAESB pronouncements</i>					
2.	Ongoing	Include a commentary on each new pronouncement issued by IAESB in the monthly members journal and the fortnightly technical magazine, so as to: a) inform members of new developments b) solicit members' input for comment letters to the IAESB	Ongoing	IDW Executive Board	IDW Technical Staff
3.	Ongoing	Include a summary of each comment letter submitted by IDW relating to pronouncements issued by IAESB in the monthly members' journal and the fortnightly technical magazine. Full text of the letters is made available on IDW website.	Ongoing	IDW Executive Board	IDW Technical Staff

#	Start Date	Actions	Completion Date	Responsibility	Resource
4.	Ongoing	Report new pronouncements in news flash on our website.	Ongoing	IDW Executive Board	IDW Technical Staff
<i>Participation in IAESB Standard Setting Activities</i>					
5.	Ongoing	Comment letters submitted by IDW relating to IAESB exposure drafts.	Ongoing	IDW Executive Board	IDW Technical Staff and IDW Committee Members
<i>Incorporate the essential elements of IES</i>					
6.	Ongoing	Entrance requirements for the qualification and the professional examination are regulated by law. The syllabus generally exceeded what was required in the old IESs and the self-assessment of these syllabus is part of the Compliance Process of the Common Content Project, which demonstrated virtually complete compliance with the 2015 IES.	Ongoing	-	The German legislator is responsible for passing the relevant law and regulation. The IDW uses its best endeavors to persuade the regulator to pass laws and regulations in accordance with the IES.
<i>Assist with the implementation of IES</i>					
7.	Ongoing	Approval of curricula (the curricula are made publicly available) for the Wirtschaftsprüfer examination.	Ongoing	IDW Executive Board	IDW Technical Staff
8.	Ongoing	Approval of the "Referenzrahmen"(frame of reference that provides details about the examination subjects of certain university degrees, which may be accredited towards the professional examination).	Ongoing	Ministry of Economics and Technology	IDW Technical Staff
<i>Review of IDW's Compliance Information</i>					
9.	Ongoing	This Action Plan will be reviewed periodically and updated as necessary by the staff responsible for the relevant area of activity.	Ongoing	IDW Executive Board	IDW Technical Staff

**Action Plan Subject:** SMO 3 and International Auditing and Assurance Standards  
**Action Plan Objective:** Continue to use best endeavors to adopt and implement ISAs and other IAASB Pronouncements

### **Background**

The IDW promulgates auditing and assurance standards for application in Germany. The German Commercial Code (Handelsgesetzbuch, HGB) regulates, inter alia, purpose and scope of an audit, and audit opinion and report. Only small companies that meet certain criteria are exempted from undergoing an audit. Although the German parliament transposed the EU audit reform package, comprising the [Directive 2014/56/EU](#) on statutory audits of annual accounts and consolidated accounts and Regulation (EU) No 537/2014 on specific requirements regarding statutory audit of public interest entities (PIEs), into its national legislation, the Directive stipulates that auditors and audit firms in member states must apply ISA and other related standards issued through the International Auditing and Assurance Standards Board (IAASB) as adopted by the EU Commission. As of the date of this action plan, the EU Commission has not yet adopted ISA.

As explained below, should ISAs have formally been adopted for application within the European Union, those ISAs will be required for statutory audits of financial statements covered by EU legislation. However, in 2018 the IDW decided to change its current practice of transposing ISAs within German IDW Auditing Standards. It is anticipated that within the next few years the German language translations of ISAs will be adopted as modified (supplemented by add-ons necessary to reflect requirements under German (and EU law) as “ISA-DE” except for those cases where the use of IDW Auditing Standards (IDW AuS) is necessary because German legal requirements differ from ISA to the extent that translation with add-ons would have been more complex than an IDW AuS (this applies to ISAs 570, 260, and 265 and the ISA 700 series other than ISAs 710 and 720)). The ISA-DE together with the remaining IDW AuS will constitute German GAAS ( deutscheGrundsätze ordnungsmäßiger Abschlussprüfungen).

### **ISAs and ISQC 1:**

#### **Transposition of International Standards:**

Until the change to adopt the translation of the ISAs noted above becomes effective, specific auditing standards are promulgated by the Institut der Wirtschaftsprüfer (IDW), IDW Auditing Standards (IDW AuS). IAASB pronouncements are transposed into national standards and amended as necessary to address differences due to conflicts with legal or regulatory requirements and to address matters of national professional practice. In the past, national standards were created based upon a line-by-line analysis of the ISAs. Differences resulted from legal and regulatory requirements and professional practice. In view of the potential adoption of ISAs by the EU, the IDW Auditing Standards had initially been amended to reflect the key changes resultant from revisions and redrafting of ISAs undertaken as part of the “Clarity Project”, such that each requirement in the ISAs has been reflected in a corresponding IDW AuS. In view of the absence of formal adoption of ISAs at EU level more recent new and revised IDW AuS have been developed in clarity format and also include transposed application and other explanatory material. All of the ISAs relating to auditor reporting were transposed by the IDW into IDW AuS in 2017. The new ISA 720 and the changes to the ISAs due to the NOCLAR and the Disclosures Project and all other changes to the ISAs are being addressed as part of the project to adopt the translations of the ISAs as ISA-DE.

#### **Translation of International Standards:**

The clarified ISAs and ISQC 1 have been translated into German and published by the IDW’s own publishing house. The translation of international Standards remains ongoing, as the IAASB issues new and revised standards. ISAs 610 and 315 have been published; further translations have been substantially completed (ISAs 700, 701, 705, 706 and 720). Translations of the changes to various ISAs resulting from the IAASB’s Disclosures Project and NOCLAR amendments are ongoing.

In October 2016, the IDW made available a German language translation of the IFAC SMPC Guide to Quality Control for Small- and Medium-Sized Practices, Third Edition.

**Adoption of International Standards:**

The IDW continues to support the adoption of ISAs by the European Commission for application in the European Union. As stated above, International Standards have not yet been formally adopted by the European Commission, and, in 2018 the IDW made a decision to adopt the translation of the ISAs as ISA-DE as described above. The ISA-DE project will be completed at the end of 2019 and the translations published at that point in time (although this could be delayed slightly) will reflect the versions in the IAASB's 2018 Handbook

**Recent Changes to Auditor Reporting:**

Recent revisions to the ISAs as well as legislative developments at national and EU level have resulted in significant changes to auditor reporting in Germany. In addition to other changes to the auditor's report, the introduction of KAM represents a new development of particular relevance for auditors of PIEs. The first round of auditor's reports required to include KAM were issued early 2018.

As detailed in prior submissions on SMO 3 compliance prior to the IAASB's completion of this significant work, the IAASB invited representatives from prominent German stakeholders (investors, preparers, oversight authorities etc.) to discuss the IAASB's proposals relating to KAM. The IDW also prepared an analysis of a selection of initial experiences with KAM reporting based on auditor's reports published in the UK and the Netherlands during 2013, 2014 and early 2015. This analysis was made available to interested parties at a national and international level and served to inform and foster interest amongst IDW members.

The IDW also held a symposium in June 2015 to discuss and promote developments in auditor reporting both within and outside the profession.

**Quality Control:**

ISCQ 1 was transposed into a national pronouncement issued jointly by the IDW and the second German IFAC member body, the Wirtschaftsprüferkammer (WPK) in 2006. Recent changes in auditing legislation at national and EU level have necessitated specific amendments to the professional charter effective as of 23 September 2016 (under the responsibility of the other German member Wirtschaftsprüferkammer). As a consequence, the 2006 pronouncement is being replaced by a new IDW AuS covering quality control in audit firms, which had been exposed for public comment until 31 March, 2017. This standard came into force in 2017.

**Further IAASB Pronouncements:**

ISRE 2400 (version pre 2012) was transposed into an equivalent German standard in 2002. Other than this, the IDW is currently in the process of addressing its Membership Obligations with regard to the IAASB's Pronouncements beyond auditing standards. Translations of ISRS 4400 and ISAE 3400 have been completed, and ISAE 3000 is in the process of translation. Further translations are planned in respect of ISRE 2400, 2410 and ISRS 4410.

In the IDW standards issued more recently, a format similar to the clarity format has been used, and this format will be applied in future IDW AuS and IDW AsS (IDW Assurance Standards).

#	Start Date	Actions	Completion Date	Responsibility	Resource
<i>Maintaining Ongoing Processes</i>					
<i>Ongoing information to IDW members in respect of new developments in IAASB pronouncements</i>					
1.	Ongoing	Include in the monthly members journal and also the fortnightly technical magazine a commentary on each new exposure draft issued by the IAASB, so as to: a) inform members of new developments and/ or proposed changes, and b) solicit members' input for comment letters to the IAASB.	Ongoing	IDW Executive Board	IDW Technical Staff
2.	Ongoing	Include in the monthly members journal and fortnightly technical magazine a summary of each comment letter submitted by the IDW relating to exposure drafts issued by the IAASB, so as to inform members as to the main issues raised. Full text of letters available on IDW Website.	Ongoing	IDW Executive Board	IDW Technical Staff
3.	Ongoing	Report new pronouncements in news flash on our Website issued in final form to inform members.	Ongoing	IDW Executive Board	IDW Technical staff
<i>Participation in IAASB's Standard Setting Activities</i>					
4.	Ongoing	Agenda papers are reviewed and significant issues identified and included in German in the agenda papers presented for discussion at the IDW main technical Board meeting. [Hauptfachausschuss (HFA) Auditing and Accounting Board].	Ongoing	IDW Technical Department	IDW Technical Staff together with Departmental Head
5.	Ongoing	The German IAASB member is also an observer of the HFA, whose meetings are attended by others with an interest in auditing standard setting (e.g. representatives of the German Chamber of Public Auditors and the German Auditor Oversight Body [NOTE: the German oversight regime was overhauled in 2016 and the former AOC replaced by a new body under the remit of the Federal Office for Economic Affairs and Export Control (BAFA)]). This enables a discussion of significant issues, so informing the IAASB member as to the views of the German profession and others on specific issues.	Ongoing	IDW Executive Board	IDW Auditing and Accounting Board
6.	Ongoing	The IDW also provides the German IAASB member with the services of a Technical Advisor who also	Ongoing	IDW Executive Board	IDW Director Assurance Standards, International Affairs

#	Start Date	Actions	Completion Date	Responsibility	Resource
		attends meetings of the HFA, the IAASB and the IAASB CAG and who may also be involved in specific IAASB Task Forces and Working Groups.			
<i>Translation of the International Standards</i>					
7.	Ongoing	<p>Translation of IAASB pronouncements (formerly as preparation for EU adoption, currently prepared as a basis for ISA-DE and publication of a synoptic translation of the original ISA text) (this also familiarizes the Working Party with final versions – knowledge gained is also applied in updating IDW Auditing Standards).</p> <p>The translation of the final “clarity versions” of ISAs and ISCQ 1 as per the IAASB 2010 Handbook were published and official EU versions have been agreed with and submitted to the EU Commission in 2011. Subsequently, the IDW completed a translation of revised ISA 610 and is in the process of finalizing the translations of the Auditor Reporting ISAs and further ISA revisions (detailed above).</p> <p>As noted above, the IDW is also currently in the process of translating a number of selected other assurance and related services pronouncements.</p>	ISAs and ISQC 1 translations completed July 2011, update issued 2015 and further translations ongoing	Principal Translator and IDW Working Party ISA Transposition with acknowledgement of IDW Auditing and Accounting Board (HFA)	IDW Working Party ISA Transposition and IDW Technical Staff
<i>Updating German Auditing Standards to reflect developments in and/ or proposed changes to IAASB pronouncements</i>					
8.	Ongoing	<p>For ISAs (Revised) and new ISAs, update individual IDW Auditing Standards as necessary on an ongoing basis. Work on this will cease (with the exception of certain Standards as noted above).</p> <p>The IDW also has a project to develop ISA-DE as explained above. This involves updating the translations and developing additional paragraphs as appropriate to reflect German legal requirements. All ISA-DE standards are exposed for public comment ahead of their finalization.</p>	Beginning 2010	IDW Auditing and Accounting Board	IDW Working Party ISA Transposition and IDW Technical Staff
<i>Member education and training</i>					

#	Start Date	Actions	Completion Date	Responsibility	Resource
9.	Ongoing	Annual technical conference for IDW members includes a workshop "IAASB Update", or similar title, to inform participants about and foster discussion of the more significant aspects.	Ongoing	IDW Academy and IDW Executive Board	IDW Technical Staff together with individual lecturers
10.	Ongoing	Updated IDW Auditing Standards are currently and, starting towards the end of 2019, ISA-DE are included in all relevant training courses offered by the IDW Academy to ensure members and trainees have up-to-date information.	Ongoing	IDW Academy	IDW Technical Staff together with individual lecturers
11.	Ongoing	New products and significant developments affecting the profession (including ISA related issues) are being promoted by various means, including regional roadshows dealing with current issues (IDW Treffpunkt). This format also allows the IDW interaction with its members to gain feedback as to their views on selected issues. The decision on moving to ISA-DE was one key example of how the IDW is informed and also how it informs its members.	Ongoing	IDW Executive Board	IDW Executive Board together with IDW Technical Staff
<i>Handbooks and Manuals and Software Solutions (including tools)</i>					
12.	Ongoing	Update annually IDW Practice Manual for Audit and Quality Control, including a software tool (see below for further details), checklists and other tools (designed for use by SMPs) to reflect changes in IAASB pronouncements that have affected the IDW Auditing Standards, and other changes (e.g., German law, etc.).	Ongoing	IDW Executive Board	IDW Technical Staff together with IDW Working Party on Quality Control
13.	Ongoing	Update members' handbook [Comprehensive technical resource of relevant information for all areas of work performed by IDW Members covering accounting, auditing, tax and law] at regular intervals to reflect changes arising from the revision of IAASB pronouncements (e.g. changes in audit methodology and firms' quality control, etc.). The last year a new edition was published was in 2017. The next revision is planned within a year.	Ongoing	IDW Executive Board	IDW Technical Staff together with selected Member Experts
14.	Ongoing	Structured overview of ISA requirements and follow-up on Software Solution ("Catalogue of requirements" and "The Audit Navigator"): The IDW has developed a	German version	IDW Executive Board	IDW Technical Staff together with IDW Working Party on Implementation of ISAs

#	Start Date	Actions	Completion Date	Responsibility	Resource
		structured overview of ISA requirements. This tool comprises an analysis of the ISA requirements according to type, i.e. conditional or unconditional etc., and an analysis as to how each requirement would fit into an audit process by analyzing the requirements on a step-by-step basis for the development of audit methodologies.	available spring 2012 (English translation available).		
15.		<p>Building on from this, the IDW has developed a new tool, the IDW Audit Navigator, which is a software application developed by the IDW, linked to the above-mentioned version of the IDW Practice Handbook.</p> <p>The Audit Navigator has been designed for direct application in audits of smaller or less complex entities and as an educational tool for audit staff and trainees. It also provides a basis for software development, and has recently been integrated into the audit software product "REVIEW ONE", which is directed at auditors of smaller entities seeking to perform the audit applying the Auditing Standards in a proportional manner.</p> <p>The IDW Audit Navigator takes auditors and students through each of the key steps in the audit process, giving access to the detailed source of a requirement (auditing standards and, where applicable, text of relevant legislation) guidance in the IDW Practice Handbook and specimen letters and checklists, in various degrees of detail (drill down facility).</p>	2014 Basic version available free of charge from the IDW website. Full version can be purchased as part of the IDW Handbook.	IDW Executive Board	IDW Technical Staff together with IDW Working Party on Implementation of ISAs
<i>Technical Support for our Membership</i>					
16.	Ongoing	We offer members a telephone service whereby they may make oral inquiries on technical matters, including auditing. In addition, members may request written replies from our technical department on technical issues.	Ongoing	IDW Technical Department	IDW Technical Staff together with Department Head
17.	Ongoing	FAQs (in German) concerning the application of ISA 600 from the perspective of the group auditor and ISA 600 from the perspective of the component auditor as well as of ISA 315, ISA 320, ISA 450, ISA 505, ISA 530 and ISA 701 and the corresponding	Ongoing	IDW Auditing and Accounting Board	IDW Technical Staff together with IDW Working Party on Implementation of ISAs

#	Start Date	Actions	Completion Date	Responsibility	Resource
		IDW Auditing Standards. The FAQs include practical examples to guide auditors in application of the relevant standards.			
18.	Completed	WPK has implemented the principle of the proportionality regarding the process of the audit in general into WPK's Professional Charter. In addition, WPK has published extensive user notes concerning the proportionality of the ISAs application.	July 2012	WPK Board of Directors and WPK Advisory Board	WPK Committees Accounting & Auditing and Professional Law as well as WPK staff
19.	Completed	Audit Documentation: The IDW developed two publications regarding the proportionate application of ISA-Documentation requirements in an SME-context, based on the UK FRC Practice Note 26 (Revised) "Guidance on Smaller Entity Audit Documentation". These publications aim to assist IDW member practitioners in complying with the documentation requirements standards in an efficient manner. Together, they inform practitioners as to the extent of documentation required by the ISAs and IDW AuS, and demonstrate how these requirements might be complied with in practice. The Guidance paper includes selected excerpts from fictional audit working papers, to demonstrate various approaches an auditor could take in documenting audit procedures, results and conclusions. The compilation of requirements provides an overview of documentation requirements specified in various standards with which the auditor is required to comply, and include relevant details of application material within the standards.	December 2012	IDW Executive Board	IDW Technical Staff together with IDW Working Party on Implementation of ISAs
<i>Lobbying in respect of ISA adoption by the EU</i>					
20.	Ongoing	Participation in various organizations and groups (e.g., /Accountancy Europe) and through contact with the German Government.	Ongoing	IDW Executive Board	IDW Executive Directors, Technical Staff and selected Member Experts
21.	Ongoing	Responding to Consultation Papers and other calls for comment during the development and implementation of Audit Policy legislation at EU level.	Ongoing	IDW Executive Board	IDW Executive Directors, Technical Staff and selected Member Experts
<i>Fostering ISA Acceptance</i>					

#	Start Date	Actions	Completion Date	Responsibility	Resource
22.	Ongoing	Provide explanations of the ISAs in German language, including practical examples tailored to the German legal and economic environment. Specific issues or topics of practical relevance rather than individual ISAs are selected.	Started 2010	IDW Executive Board	IDW Executive Directors, Technical Staff and selected Member Experts
23.					
24.	Ongoing	Series of Articles in the IDW journal “Die Wirtschaftsprüfung” (WPg) introducing ISAs by standard or in pairs. A special edition covering new developments in auditor reporting was issued in 2015.	Started 2013 – ongoing in respect of revised and new standards	IDW Executive Board	IDW Executive Directors, Technical Staff and selected Member Experts
25.	Ongoing	Over the past few years, the IDW has promoted various topics (including ISA related issues) by means of live Q&A sessions/ interviews with individual experts. These sessions are also recorded and available to our members for a limited period thereafter (“IDW Live im Netz”).	Started 2011	IDW Executive Board	IDW Executive Directors, Technical Staff and selected Member Experts
26.	completed	The IDW has released a series of podcasts as an interview session (YouTube) to introduce and explain the IDW Audit Navigator (see above). <a href="https://www.youtube.com/watch?v=V2qGdERMAo0">https://www.youtube.com/watch?v=V2qGdERMAo0</a> <a href="https://www.youtube.com/watch?v=OCjnLfsNp9M">https://www.youtube.com/watch?v=OCjnLfsNp9M</a> <a href="https://www.youtube.com/watch?v=OCjnLfsNp9M">https://www.youtube.com/watch?v=OCjnLfsNp9M</a> <a href="https://www.youtube.com/watch?v=ukeWmHkP4m4">https://www.youtube.com/watch?v=ukeWmHkP4m4</a> <a href="https://www.youtube.com/watch?v=ukeWmHkP4m4">https://www.youtube.com/watch?v=ukeWmHkP4m4</a>	Started 2014	IDW Executive Board	IDW Executive Directors, and Technical Staff
27.	Ongoing	The need for either translation or adaptation of other IFAC material is determined on a case by case basis.	Ongoing	IDW Executive Board	IDW Executive Directors, Technical Staff and selected Member Experts
<i>Review of IDW's Compliance Information</i>					
28.	Ongoing	This Action Plan will be reviewed periodically and updated as necessary by the staff responsible for the relevant area of activity.	Ongoing	IDW Executive Board	IDW Technical Staff

**Action Plan Subject:** SMO 5 and International Public Sector Accounting Standards  
**Action Plan Objective:** No Responsibility – Activities to promote IPSASB Pronouncements

### **Background**

Public Sector Accounting in Germany depends on the respective laws and regulations at national level for central government entities, at state level for the respective states and at local level for municipalities, regions and other local entities. These laws do not usually simply use the requirements from private-sector accounting, but stipulate their own financial reporting frameworks in detail. Therefore, in the public sector an accrual accounting framework in one federal state differs from those in each of the other states. Legislation stipulates whether cash or accrual accounting is used and outlines basic accounting principles, which may be complemented by regulations from the responsible authorities. Standard setters are therefore:

- at national level: national parliament (“Bundestag”) and the German Ministry of Finance,
- at state level: the state parliament and the respective Ministry of Finance of the respective state,
- at local level: the state parliament and the respective Ministry of the Interior of the respective state.

Since 2010 the German “Budget Principles Law” (‘Haushaltsgrundsatzgesetz’) allows central government at national level and at state level to implement accrual accounting, without having to bear the burden of operating a cash-based accounting system at the same time. Nevertheless, at national level, the German Central Government continues to apply cash-based, single-entry accounting. At state level, a few states have adopted accrual accounting (Hamburg from 2006, Hesse from 2009, Bremen from 2010); one federal state is currently in the process of implementation (NRW).

At local or municipal level, all states have their own accrual accounting frameworks. However, as yet, only nine states require accrual accounting. One state has postponed the required implementation to 2020. In three states, the municipalities have an option to either adopt accrual accounting or continue cash accounting. These various frameworks are loosely based on private company accounting requirements as set forth in the German Commercial Code (German Legal Accounting Requirements), rather than on IFRSs or IPSASs.

*For clarification: The above-mentioned frameworks do not apply to entities established in the legal form of limited liability companies or corporations pursuant to corporate law (GmbH, AG), even if central government is a founder or shareholder (for example municipal energy suppliers or hospitals). Accrual accounting according to the German Commercial Code applies in such cases.*

### **IDW Public Sector Activities**

Although public sector accounting standards are not within our scope of responsibilities, the IDW promotes the adoption of accrual accounting in general and IPSASB pronouncements in particular through various activities. The IDW’s “best endeavours” include formal and informal activities such as comment letters and meetings with authorities (ministries, court of auditors). Representatives of ministries and court of auditors are invited – as permanent guests – to all meetings of the IDW Public Sector Committee (ÖFA) which deals with both accrual accounting and auditing in the public sector (see list of members on IDW Website: [https://caruso.idw.de/gremium\\_detail.jsp?g\\_nr=100102520000](https://caruso.idw.de/gremium_detail.jsp?g_nr=100102520000))

The IDW met with staff of the German Ministry of Finance in 2016 to discuss the developments of accrual accounting and EPSAS; since then contact has been maintained via telephone and e-mail. A high-level representative of the German Ministry of Finance participated as speaker and in the debate at the IDW Symposium on EPSAS in 2015 and participated in the next IDW Symposium on EPSAS in 2019 (see below).

The German Supreme Audit Institution (SAI) issued a special report on EPSAS in November 2017, criticizing the intended harmonization of public sector accounting in the European Union. This report was addressed to the German Parliament, the Federal Government and the general public. The IDW felt that this report did not present the pros and cons of accrual accounting in a balanced manner and thus took the initiative to comment on the special report in detail. This provoked an exchange of letters, accompanied by press releases and magazine articles, followed by a press interview between the SAI and IDW. This correspondence helped to reignite the discussion within Germany. (For the correspondence see IDW Website: <https://www.idw.de/idw/im-fokus/oeffentliche-rechnungslegung>, including an English translation of the first letter and further links)

The IDW is following the initiatives, ongoing at EU level, which are aimed at improving public sector financial reporting throughout the EU; possibly promulgating EPSASs (European Public Sector Accounting Standards) based on IPSASs but tailored for application in the EU. The IDW has participated in the public debate by responding to public consultations issued by Eurostat concerning the suitability of IPSASs for application in the EU and in respect of EPSAS governance mechanisms. The IDW has publically stated that it views the adoption of IPSASs in the EU as a long term goal.

The IDW organized a number of events specifically on EPSAS by inviting a wide range of stakeholders and offering a platform for discussion:

- In **March 2012** the IDW hosted a Symposium on international vs. national developments in public sector accounting, and took the IPSASB Meeting as an occasion to perform outreach activities. The speakers included the IPSASB Chair, the German IPSASB Member, a representative from Eurostat and from a Federal State using accruals accounting.
- In **February 2015** there were over 100 attendees at a further IDW hosted Symposium: “Harmonisation of public sector accounting in Europe – and its impact on Germany”. Keynote speakers included a representative from Eurostat, a member of the German Parliament (Bundestag), the German IPSASB Member, and a representative from an accounting firm presenting the 2014 Study on the costs of implementing EPSASs and suitability of individual IPSASs commissioned by Eurostat. Their speeches were followed by a podium discussion involving representatives from a wide range of interested parties. Participants included representatives from all levels of the German government, the profession, the IPSASB, FEE (subsequently renamed Accountancy Europe) and the press. (See IDW Website: <https://www.idw.de/idw/im-fokus/oeffentliche-rechnungslegung> where presentations can be downloaded)

Following both symposiums, special editions of the IDW technical periodical “Die Wirtschaftsprüfung” were published. The series of articles in the June 2012 edition were co-authored by the IPSASB Chair, the German IPSASB Member, a senior representative of one Federal State that has adopted accruals accounting, and a representative from Eurostat. The March 2015 edition included articles from the keynote speakers, among others a representative from Eurostat, a member of the German Parliament and the German IPSASB Member. A summary of the discussion was also included.

A further IDW Symposium on EPSAS was held in Berlin on **18 February 2019**. Speakers and participants in the podium discussion included representatives from, e.g., the European Parliament, German Parliament, Federal Ministry of Finance, European Court of Auditors, Hamburg Court of Auditors, Austrian Court of Auditors as well as social security systems, municipalities and academia. For the Programme see IDW <https://www.idw.de/idw/idw-aktuell/idw-symposion-zu-epsas/114166>. The former German IPSASB member (until December 2018) participated in the Symposium as well as the IPSASB CAG Chair who is also a member of the IDW Public Sector Committee and Chair of the Public Sector Group of Accountancy Europe.

#	Start Date	Actions	Completion Date	Responsibility	Resource
<i>Maintaining Ongoing Processes</i>					
<i>Ongoing information to IDW members in respect of new developments in IPSASB pronouncements</i>					
1.	Ongoing	<p>Information in IDW members' journal, technical magazine or Website:</p> <ul style="list-style-type: none"> <li>reference to new IPSASB pronouncements</li> <li>summary of / link to each comment letter submitted by the IDW relating to exposure drafts issued by the IPSASB. Full text of letters available on IDW Website, e.g.</li> </ul> <p>7/2018 - leases (ED 64) :  <a href="https://www.idw.de/idw/idw-aktuell/idw-zur-ipsas-bilanzierung-von-leasingverhaeltnissen/109686">https://www.idw.de/idw/idw-aktuell/idw-zur-ipsas-bilanzierung-von-leasingverhaeltnissen/109686</a></p> <p>6/2018 – strategy and work plan:  <a href="https://www.idw.de/idw/verlautbarungen/idw-schreiben/ipsasb-proposed-strategy-and-work-plan-2019-2023--idw-schreiben-/1094144/2018">https://www.idw.de/idw/verlautbarungen/idw-schreiben/ipsasb-proposed-strategy-and-work-plan-2019-2023--idw-schreiben-/1094144/2018</a> – social benefits:  <a href="https://www.idw.de/idw/idw-aktuell/rechnungslegung-fuer-sozialleistungen/108154">https://www.idw.de/idw/idw-aktuell/rechnungslegung-fuer-sozialleistungen/108154</a></p> <p>1/2018 – Revenue and Non-exchange Expenses: <a href="https://www.idw.de/idw/idw-aktuell/ipsasb-konsultation--accounting-for-revenue-an-non-exchange-expenses/106330">https://www.idw.de/idw/idw-aktuell/ipsasb-konsultation--accounting-for-revenue-an-non-exchange-expenses/106330</a></p> <p>10/2017 – Heritage Assets:  <a href="https://www.idw.de/idw/idw-aktuell/finanzberichterstattung-ueber-das-kulturerbe/103906">https://www.idw.de/idw/idw-aktuell/finanzberichterstattung-ueber-das-kulturerbe/103906</a></p> <ul style="list-style-type: none"> <li>articles about international developments</li> </ul>	Ongoing	IDW Public Sector Committee	IDW Technical Staff and IDW Committee members
<i>Participation in IPSASB Standard Setting Activities</i>					

#	Start Date	Actions	Completion Date	Responsibility	Resource
2.	Ongoing	Agenda papers are reviewed and significant issues identified. A former German IPSASB member – now IPSASB CAG Chair – is Chair of the Public Sector Group of Accountancy Europe (formerly FEE) as of 2012 and also a member of the IDW Public Sector Committee, whose meetings are attended by others with an interest in public sector accounting and auditing standard setting (i.e. representatives of Ministries and courts of auditors). This enables a discussion of significant issues relevant to the work of the IPSASB on specific issues.	Ongoing	IDW Public Sector Committee	IDW Technical Staff and IDW Committee members
3.	Ongoing	Until December 2018, the IDW provided the German IPSASB member with the services of a Technical Advisor who also attends the meetings of the IDW Public Sector Committee and related Working Parties in respect of international issues.	Term of the German IPSASB member Ended December 2018	IDW Public Sector Committee	IDW Technical Staff
4.	Ongoing	Comment letters submitted by the IDW relating to certain IPSASB exposure drafts and other publications. As part of the IDW's finalization process, initial drafts of all IDW comment letters are made available to the IDW Public Sector Committee to both further their consideration and illicit additional comments.	Ongoing	IDW Public Sector Committee	IDW Technical Staff and IDW Committee members
<i>Continuing education of members</i>					
5.	Ongoing	Annual technical conference for IDW members, which offers all kinds of topics relevant to practitioners, always includes one or more workshops for developments in the Public Sector (including national accrual accounting and IPSASB activities) to inform participants about and foster discussion of significant aspects. In November 2018 there was a specific workshop on the developments of IPSAS and EPSAS presented by the IPSASB CAG Chair.	Ongoing	IDW Academy and IDW Executive Board/ IDW Public Sector Committee	IDW Technical Staff together with individual lecturers
<i>Technical Support for our Membership</i>					

#	Start Date	Actions	Completion Date	Responsibility	Resource
6.	Ongoing	We offer members a telephone service whereby they may make oral inquiries on technical matters, including public sector accounting and auditing. In addition, members may request written replies from our technical department on technical issues.	Ongoing	IDW Technical Department	IDW Technical Staff
<i>Promoting IPSASB pronouncements with those responsible for public sector accounting standard-setting</i>					
7.	Ongoing	Although IDW is not standard-setter for public sector accounting standards, IDW promotes IPSASB pronouncements by reference to them in meetings with different institutions, e.g. ministries and courts of audit.	Ongoing	IDW Executive Board / IDW Public Sector Committee	IDW Executive Directors, Technical Staff and selected Member Experts
8.	Ongoing (long-standing tradition since 1994)	<p>There is an exchange between the IDW Public Sector Committee and a subcommittee<sup>3</sup> of the ministers of the Interior of the German federal states (which are standard-setter for public sector accounting on the municipal level in Germany). The latter subcommittee has been sending representatives as guests to the meetings of the IDW Public Sector Committee since 1994 who report back to their peers in their annual meetings. This report back covers current international developments on EPSAS and IPSAS, which feature on the IDW Public Sector Committee's agenda on a regular basis.</p> <p>On occasion, the committees themselves also meet (e.g. in 2008 and in 2013). The 2013 meeting specifically addressed the current developments on EPSAS and IPSAS. The IDW presentation triggered a discussion on</p> <ul style="list-style-type: none"> <li>• the need for harmonization in the public sector within Germany, and</li> <li>• was intended to raise awareness for developments on European level (EPSAS)</li> </ul>	Ongoing	IDW Public Sector Committee	IDW Technical Staff
9.	September 2018	Outreach activity: IDW presentation on IPSAS at a State Court of Audit, covering the IPSASB, its future strategy and work plan, the IPSAS, comparison with	September 2018	IDW Executive Board	IDW Technical Staff

<sup>3</sup> Unterausschuss „Kommunale Wirtschaft und Finanzen“ des AK III der Innenministerkonferenz (UAKWuF)

#	Start Date	Actions	Completion Date	Responsibility	Resource
		IFRS, comparison with German public sector accrual accounting standards, the EPSAS initiative, factors relevant to the future of public sector accounting in Germany			
<i>Review of IDW's Compliance Information</i>					
10.	Ongoing	This Action Plan will be reviewed periodically and updated as necessary by the staff responsible for the relevant area of activity.	Ongoing	IDW Executive Board	IDW Technical Staff

**Action Plan Subject:** SMO 7 and International Financial Reporting Standards  
**Action Plan Objective:** Continue to use best endeavors to support adoption and implementation International Financial Reporting Standards

<b>Background</b>					
<p>Listed companies in Germany are required to use International Financial Reporting Standards (IFRSs) in their consolidated accounts as required by the European Commission (EC) Regulation No. 1606/2002. Germany permits IFRSs in the annual and consolidated accounts of all types of companies for information purposes only, and these entities are required to prepare (nonconsolidated) annual financial statements in accordance with national accounting law for purposes of profit distribution, taxation, and financial services supervision. German accounting requirements, which are primarily contained in the German Commercial Code (HGB), differ from IFRSs. However, the German Accounting Law Modernization Act (which came into force in 2009) reduces the regulatory burden on companies, and in general achieves closer alignment to IFRSs.</p> <p>In light of the afore-mentioned modernization of German accounting law, the IDW does not support the application of IFRSs for SMEs in Germany at the present time as the costs of the adoption of these would exceed the benefits for SME's because of the relationship between company law and tax law and German accounting.</p>					
#	Start Date	Actions	Completion Date	Responsibility	Resource
<i>Maintaining Ongoing Processes</i>					
<i>Ongoing information to IDW members in respect of new developments in IFRS</i>					
2.	Ongoing	Include in the fortnightly technical magazine a commentary on each exposure draft, draft interpretation or discussion paper issued by the IASB or the IFRS Interpretations Committee, so as to: a) inform members of new developments and/ or proposed changes, and b) solicit members' input for comment letters to the IASB or the IFRS Interpretations Committee.	Ongoing	IDW Technical Department	IDW Technical Staff
3.	Ongoing	Include in the fortnightly technical magazine a summary of each comment letter submitted by the IDW relating to significant exposure drafts, draft interpretations or discussion papers issued by the IASB or the IFRS Interpretations Committee, so as to inform members as to the main issues raised. Full text of letters available on IDW Website. Please see as an example the <a href="#">IDW comments</a> on the IASB Discussion Paper 2018/1 'Financial Instruments with Characteristics of Equity'.	Ongoing	IDW Technical Department	IDW Technical Staff

#	Start Date	Actions	Completion Date	Responsibility	Resource
4.	Ongoing	Include in the fortnightly technical magazine a commentary on (or a summary of significant) final IFRSs (or amendments, respectively) to inform members of new developments that must be considered.	Ongoing	IDW Technical Department	IDW Technical Staff
5.	Ongoing	Include in the fortnightly technical magazine technical articles on particular aspects of IFRS or IFRS-related matters, mainly concerning recent or new IFRS or interpretations.	Ongoing	Individual authors	Individual authors
6.	Ongoing	Report certain IFRS news on our Website.	Ongoing	IDW Technical Department	IDW Technical staff
<i>Preparation of German application guidance on IFRS</i>					
7.	Ongoing	Develop and issue IDW Pronouncements on IFRS (IDW Accounting Principles and Accounting Practice Statements) to inform members of the views of the auditing profession / the IDW committees on particular IFRS matters. Include these pronouncements in the monthly members' journal. Include a summary in the fortnightly technical magazine.	Ongoing	IDW Auditing and Accounting Board	IDW Committees IDW Technical staff
<i>IFRS-Knowledge Base</i>					
8.	Ongoing	Provide access to a comprehensive IFRS data base, including IFRS (endorsed by the European Commission; presented in English and German), IDW pronouncements on IFRS, IDW comment letters on exposure drafts, draft interpretations or discussion papers issued by the IASB, literature, articles etc.	Ongoing	IDW Executive Board	IDW Technical staff
9.	Ongoing	Include in the auditor's handbook issued by the IDW, a chapter explaining the legal basis for applying IFRS in Germany as well as providing an overview of the conceptual framework and the most important regulations of IFRS.	Ongoing	N/A	Individual authors and IDW Technical staff
<i>IFRS-Handbook: Synoptic translation</i>					

#	Start Date	Actions	Completion Date	Responsibility	Resource
10.	Ongoing	Issue and update the full consolidated text of all IFRS as adopted in the EU. Synoptic presentation in English and German to facilitate the application of IFRS for German constituents.	Ongoing	N/A	IDW Technical staff
<i>Member education and training</i>					
11.	Ongoing	Technical conferences for IDW members on IFRS topics to inform participants and foster discussion. IDW Academy offers a range of seminars and courses covering current IFRS topics, including: <ul style="list-style-type: none"> <li>• An annual technical conference open to all members, including update or discussion sessions on selected IFRS-related matters</li> <li>• Technical IFRS Update course open to all members (at least annually)</li> </ul> At a regional level and federal state level, the IDW also offers free-of-charge update sessions on selected IFRS issues.	Ongoing	IDW Academy	Individual lecturers
<i>Technical Support</i>					
12.	Ongoing	Telephone service whereby members may make oral inquiries on technical matters. In addition, members may request written IFRS replies on technical issues.	Ongoing	IDW Technical Department	IDW Technical Staff
<i>Lobbying in respect of IFRS</i>					
13.	Ongoing	Participation in various organizations and groups (e.g. Accountancy Europe) and through contact with the German Government and the Accounting Standards Committee of Germany.	Ongoing	IDW Executive Board	IDW Executive Directors, Technical Staff and selected Member Experts
<i>Review of IDW's Compliance Information</i>					
14.	Ongoing	This Action Plan will be reviewed periodically and updated as necessary by the staff responsible for the relevant area of activity.	Ongoing	IDW Technical Department	IDW Technical Staff

26 April 2019

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

*by email to: leonaverdadero@ifac.org*

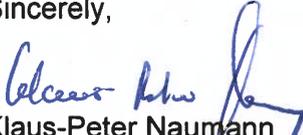
**Subject: Letter to Confirm Institutional Support for the SMO Action Plan**

Dear Ms. Prinsloo,

This letter is to confirm that the leadership of the Institut der Wirtschaftsprüfer in Deutschland e.V. (IDW) has reviewed the information contained in the SMO Action Plan prepared by the Institut der Wirtschaftsprüfer in Deutschland e.V. (IDW) as part of the IFAC Member Compliance Program and will provide institutional support for its implementation.

On behalf of the leadership of the Institut der Wirtschaftsprüfer in Deutschland e.V. (IDW), 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,

  
Klaus-Peter Naumann

Chief Executive Officer  
Institut der Wirtschaftsprüfer in Deutschland e.V. (IDW)  
26 April 2019

Institut der Wirtschaftsprüfer  
in Deutschland e.V.

Wirtschaftsprüferhaus  
Tersteegenstraße 14  
40474 Düsseldorf  
Postfach 32 05 80  
40420 Düsseldorf

TELEFONZENTRALE:  
+49 (0) 211 / 45 61 - 0

FAX GESCHÄFTSLEITUNG:  
+49 (0) 211 / 4 54 10 97

INTERNET:  
www.idw.de

E-MAIL:  
info@idw.de

BANKVERBINDUNG:  
Deutsche Bank AG Düsseldorf  
IBAN: DE53 3007 0010 0748 0213 00  
BIC: DEUTDE33XXX  
UST-ID Nummer: DE119353203

GESCHÄFTSFÜHRENDER VORSTAND:  
Prof. Dr. Klaus-Peter Naumann,  
WP StB, Sprecher des Vorstands;  
Dr. Klaus-Peter Feld, WP StB;  
Dr. Daniela Kelm, RA LL.M.;  
Melanie Sack, WP StB