

ORGANIZATION'S LETTERHEAD

Date: December 23<sup>rd</sup>, 2019

Kevin Dancey C.M., FCPA, FCA  
Chief Executive Officer  
International Federation of Accountants  
529 Fifth Avenue  
New York, NY 10017 USA

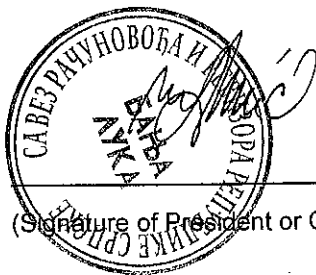
Dear Mr Dancey,

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

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

On behalf of the leadership of the Association of Accountants and Auditors of Republic of Srpska, 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,



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

PhD Dragan Mikerevic

(Title)

The Association of Accountants and Auditors of Republic of Srpska  
(Name of Organization)

December 23<sup>rd</sup>, 2019  
(Date)

## **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>	Association of Accountants and Auditors of Republic of Srpska in Bosnia and Herzegovina (AAARS)
<b>Approved by Governing Body:</b>	AAARS Council (elected by Assembly)
<b>Original Publish Date:</b>	June 2011
<b>Last Update:</b>	December 2019
<b>Next Update:</b>	December 2021

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

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

## **GLOSSARY**

<b>AAARS</b>	Association of Accountants and Auditors of Republic of Srpska
<b>ACCA</b>	Association of Chartered Certified Accountants
<b>BiH</b>	Bosnia and Herzegovina
<b>CPD</b>	Continuing Professional Development
<b>EFRAG</b>	European Financial Reporting Advisory Group
<b>EU</b>	European Union
<b>FBiH</b>	Federation of Bosnia and Herzegovina
<b>IAASB</b>	International Auditing and Assurance Standards Board
<b>IAESB</b>	International Accounting Education Standards Board
<b>IASs</b>	International Accounting Standards
<b>IASB</b>	International Accounting Standards Board
<b>IES</b>	International Education Standard
<b>IESBA</b>	International Ethics Standards Board for Accountants
<b>IFAC</b>	International Federation of Accountants
<b>IFRIC</b>	IFRS Interpretations Committee
<b>IFRS</b>	International Financial Reporting Standard
<b>IPD</b>	Initial Professional Development
<b>IPSAS</b>	International Public Sector Accounting Standard
<b>IPSASB</b>	International Public Sector Accounting Standards Board
<b>ISA</b>	International Standard on Auditing
<b>ISQC</b>	International Standard on Quality Control
<b>MoF</b>	Ministry of Finance
<b>PAO</b>	Professional Accountancy Organization
<b>QA</b>	Quality Assurance
<b>RS</b>	Republic of Srpska
<b>SME</b>	Small and Medium Enterprises
<b>SMO</b>	Statement of Membership Obligations
<b>UNCTAD</b>	United Nations Conference on Trade and Development
<b>USAID</b>	United States Agency for International Development

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

**Action Plan Objective:** Design and Develop a Quality Assurance Review Program in Line with SMO 1

*Background:*

The Standards Act on quality control in accounting and auditing profession in Republic of Srpska passed in 2012 provides legal foundation for the establishment of the Quality Assurance (QA) system. Among other sources, the Act is based on the requirements of Statement of Membership Obligation (SMO) 1. Under the Act, the responsibility for the implementation of the QA rests with Association of Accountants and Auditors of Republic of Srpska (AAARS) through the Commission for monitoring, implementation and implementation control of regulations in the field of accounting and auditing. Certified auditors, certified accountants, certified accounting technicians, audit companies and companies for performing accounting services are subject to QA review.

As of 2014, AAARS is in a process of creating a quality assurance system. To assist in the development of a system in-line with SMO 1, the AAARS has been working with established International Federation of Accountants (IFAC) Professional Accountancy Organizations (PAOs) to learn about the process and key components of such a system. With this assistance, AAARS has completed initial design of its quality assurance program in 2011 and commenced implementation in 2012. Efforts to continuously improve and strengthen the program continued throughout 2012/2013. In 2013, in cooperation with French Institutes–Conseil Supérieur de l'Ordre des Experts-Comptables (CSOEC) and Compagnie Nationale des Commissaires aux Comptes (CNCC)—we have created the questionnaire by which we tried to gather the information on work of auditors and audit firms. Based on responses, we have determined two groups of audit firms: One group stated that they apply the audit standards, while based on the responses it has been determined that the other group does not apply the standards. Based on the questionnaire responses, control of audit firms that apply the standards will be based on the risk approach.

The Ministry of Finance is a body of public oversight, and quality control will be performed by the professional association. By the end of 2015, six audit firms was subjects of quality control. Also in 2016 at least six quality controls will be performed based on risk approach. Large number of firms will be included in the mentorship approach, and they will not be subjected to control while mentored. Mentorship approach will start in may 2016.

International Standard on Quality Control (ISQC 1) and ISA 220 have been adopted as quality control standards. In the first period, public oversight of quality control will be performed jointly with the Ministry of Finance and AAARS. For group of audit firms who do not apply the standards, education based on mentorship approach will be organized in cooperation with CSOEC / CNCC.

Having recognized the need for introduction of an efficient quality assurance system for all members of the profession, six PAOs from the region (including AAARS) established the Quality Assurance Network – Accountancy Services Providers. This regional group held three meetings in 2015 and defined its project activities in 2016-2017 under the mentoring guidance of representatives of the Institute of Chartered Accountants in England and Wales (ICAEW). In addition to serve as an opportunity to exchange good practices between PAOs from the region and take over good practices and experiences from ICAEW through this network, the joint work will also result in us having a common approach to this important issue throughout the Western Balkans region.

Currently all activities related to quality control are on hold because according to the existing Quality Control Rulebook we don't have the authority to control audit firms but only auditors as physical persons, which was the Ministry of Finance requirement. The law on Accounting and Auditing is de to be amended and it is expected that the Ministry of Finance will take over quality control.

AAARS will review the revised requirements of SMO 1 and will take actions to ensure that the existing QA review system is developed in line with the revised requirements.

#	Start Date	Action	Completion Date	Responsibility	Resource
<i>Design a Quality Assurance Program (SMO 1)</i>					
1.	Q3 - 2010	Inform members of the objective of a QA program and the benefits expected from this program (website, professional magazine, conferences and seminars).	Completed 2012 Ongoing	AAARS General Secretary	Staff
2.	Q4 - 2016	In year 2015 the new Law on accounting and Auditing was passed and we had to make our provisions on quality control compliant with this law until the end of year.  Design a model QA Program. This program should describe the structure and procedures for: <ul style="list-style-type: none"> <li>• Selecting a sample,</li> <li>• Conducting a review,</li> <li>• Discussing the report,</li> <li>• Delivering sanctions,</li> <li>• Confidentiality requirements,</li> <li>• The format and content of the review file.</li> </ul>	Ongoing	AAARS President	Staff, Commissions members with assistance of foreign external consultants
3.	Q1 - 2018	Undertake first quality assurance reviews of selected firms. Only quality control by questionnaire was undertaken to get an overview of accounting and audit profession. The questionnaire responses were presented at the Annual Congress of AAARS. On CPD for auditors, the Strategy for quality control for 2014 has been presented and mentorship approach for auditors who do not apply the standards has been explained.	Q4 - 2018 Completed	AAARS President	Staff, Commissions members with assistance of foreign external consultants
4.	Q4 - 2018	Develop first report regarding findings from first quality assurance reviews of selected firms.  In this period, conditions for quality control of selected firm will be established.	Q4 - 2020	AAARS President	Staff, Commissions members with assistance of foreign external consultants
5.	Q1 - 2014	Work with CPD Committee to ensure that weaknesses encountered in QC, ISA implementation, etc. in the report summarizing findings of QA reviews are addressed through AAARS CPD programs and offerings	Ongoing	AAARS President	Staff, Commissions members with assistance of foreign

		<p>Findings of the QA reviews will be included into ongoing AAARS education efforts.</p> <p>Based on information from the questionnaire, we found deficiencies in quality control of audit firms and we plan an inclusion of certain topics in continuing professional development</p>			external consultants, CPD Committee
6.	Q1- 2015	<p>Regional Working Group was established under the ICAEW coordination after initial meeting in September 2014. The Working Group comprises representatives of Western Balkans PAOs. (Serbia, Macedonia, Montenegro, Albania, both PAOs from B&amp;H). Three meetings were held in 2015 and project activities were agreed.</p> <p>In 2016, three workshops led by ICAEW experts were held. The workshops focused on roadmap on the design of a QA system (scope of QA scheme, developing the policies, procedures, methodologies, software systems, working practices, skills required for all teams, reference materials and support, CPD options for practitioners in public practice, monitoring etc.). Areas to undergo reviews have been agreed and the implementation steps and good practice presented.</p> <p>The last workshop held in April 2017 in Macedonia provided a simulation of the entire process.</p> <p>The main deliverables of the QAN-ASP are:</p> <p>Support for the development of an internationally recognised Quality Assurance (QA) scheme for accountancy, developed by each PAO using experience gained through the workshops.</p> <p>Informal guidance on strategic issues, including on the structure and funding of quality schemes; creation of viable QA programmes and effective disciplinary functions; and establishment of successful relationships with key stakeholders and government authorities. This guidance will facilitate PAOs to work together to deliver solutions to these issues.</p> <p>Structured and regular exchange of best practice among QAN-ASP members, drawing on ICAEW experience - in the areas of strategic planning, communications, engagement, monitoring and handling poor work/behaviour.</p> <p>Practical assistance to achieve an alignment of QANASP bodies around best practice, through support for the development of common</p>	Ongoing	AAARS President	Staff, Commissions members with assistance of foreign external consultants

		methodologies and manuals, as well as specialist training on review methodology and specialist areas.  Development of common reference and support materials by the group, both for PAOs staff and practitioners, as well as communications resources.			
<i>Organizing Review Teams</i>					
7.	Q3 - 2011	Establish requirements for review team members and leaders.	Ongoing	AAARS President	Staff
8.	Q4 - 2011	Organize seminars and training on QA reviews system for reviewers.	Ongoing	AAARS General Secretary	Staff, Commissions members with assistance of foreign external consultant
<i>Translating and Raising Awareness of ISQC 1</i>					
9.	Q3 - 2010	Translate International Standard on Quality Control (ISQC1) last edition, clarified into Serbian language (see also translation of International Standards on Auditing (ISAs last edition 2016-2017).	Ongoing	AAARS General Secretary	Staff
10.	Q4 - 2011	Begin raising awareness of ISQC 1 with RS audit firms so that they are aware of the key components of this standard.	Ongoing	AAARS General Secretary	Staff
11.	2014	Organize additional activities (CPD, training, development of implementation guidance) in accordance with the IFAC Guide to Quality Control for Small and Medium – Size Practices. Third edition, translation by AAA Serbia  Topics related to adoption of ISQC1 will be covered during CPD.	Ongoing	AAARS expert team	Staff
<i>Maintaining Ongoing Process</i>					
12.	Ongoing	AAARS will review the revised requirements of SMO 1 and will take actions to ensure that QA review system meets these revised requirements.	Ongoing	AAARS General Secretary	Staff
<i>Review of AAARS Compliance Information</i>					
13.	Ongoing	Perform periodic reviews of AAARS` response to SMO 1 Section of the SMO Action Plan.	Ongoing	AAARS General Secretary	Staff

**Main Requirements of SMO 1**

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



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

**Action Plan Subject:** SMO 2–International Education Standards for Professional Accountants and Other Pronouncements issued by the IAESB

**Action Plan Objective:** Promote and Enhance Compliance of Educational Programs with International Education Standards

*Background:*

Since the first law on Accounting and Auditing of the Republika Srpska (1999) until today, according to the latest Law on Accounting and Auditing (2015) continuing education was entrusted to the professional body, or AAARS as the only in the Republic of Srpska. Requirements for educational qualifications, practical experience and training, continuing education and testing theoretical knowledge should under the Law take into account those of the Statutory Audit Directive and be in line with IESs. AACBiH is primarily responsible for these activities. The responsibility for conducting professional examination lies with the AACBiH which under the Law may delegate activities related to administering the test to one or more professional bodies, with the AACBiH closely monitoring the implementation of these activities. In the Republika Srpska, AAARS is responsible for education, certification, and CPD for its members. The Law on Accounting and Auditing prescribes 120 hours of mandatory CPD in a three-years period. This is also defined by the AAARS' Rulebook on CPD, which additionally sets 40 hours of CPD as an annual minimum

In 2005, the United States Agency for International Development (USAID) Accountancy Reform Project helped AAARS develop an education and certification program based upon the Association of Chartered Certified Accountants (ACCA-UK) syllabus, and amended to incorporate additional material contained in the United Nations Conference on Trade and Development (UNCTAD) 'model curriculum.' This project also helped in the translations of key standards, textbooks and other educational materials. At present, it has been roughly 10 years since the USAID Accountancy Reform Project concluded operations. The AAARS continues to review their educational program for its alignment with International Accounting Education Standards Board (IAESB) International Education Standards (IESs) and update the program to ensure that the most up to date materials, lessons and techniques are being taught. IES 1- 8 have been translated in RS and there are plans to translate the revised IESs. UAAFWEBH was granted the approval to translate and publish the 2014 edition of the Handbook of International Education Pronouncements and the 2015 edition of the Handbook of International Education Pronouncements. They are available on the UAAFWEBH web site <http://srr-fbih.org/File/Download?idFi=1898>. AAARS does not have IFAC authority to translate, but only to post to website.

Committee for Accounting and Auditing in Bosnia and Herzegovina determines the framework governing accountancy education by establishing curriculum with the consent of professional accounting bodies. Exams are organized in accordance with this curriculum.

In accordance with the law of accounting and auditing of Bosnia and Herzegovina, and the law of accounting and auditing of Republic of Srpska, there are three types of professional titles: (a) certified accounting technician, (a) certified accountant and (an) authorized auditor. Program for acquiring professional title consists of 14 exams.

Additionally, at the point of the qualification, candidates are required to have minimum three-year working experience in the practice of accounting or auditing (depending on the professional title sought). In accordance with the Law on Accounting and Auditing of Republika Srpska, all persons within the Accountancy Profession shall be required to undertake Continuing Professional Development (CPD), the duration of which shall not be less than 120 hours in each three-year period. The Continuing Professional Development is conducted in the form of individual and formal engagement-education organized by the Association. AACBiH and AAARS have also adopted rulebooks on validation of certificates, which enables for recognition of certificates based on reciprocity agreements with PAOs and a statement of comparability.

In our opinion the existing requirements are globally harmonized with the requirements of IES.

Also, there is an ongoing World Bank project that aims to determine the level of compliance of the curricula of secondary schools and economic faculties with the requirements of IES.

#	Start Date	Action	Completion Date	Responsibility	Resource
<i>Promotion of International Education Standards (SMO 2)</i>					
	Ongoing	Promotion of the work of the IAESB to Universities, Regulators (including the Ministry of Finance, the Minister's Advisory Commission on Accounting and Auditing, the Bosnia and Herzegovina (BiH) Commission for Accounting and Auditing Standards) through organization of seminars and meetings with the key stakeholders, as well as internal dissemination events with AAARS staff.  AACBiH has taken steps to establish cooperation with the BiH universities.	Ongoing	AAARS General Secretary	AAARS website, magazine and staff
2.	Q2 – 2011	Ensuring that the standards, guidance, practice papers and other pronouncements of the IAESB are translated in a sustainable and timely way, and in accordance with the IFAC Translations Policy.  Activities are underway translations IES edition 2015 by UAAFVFBH, after which we will approach to the review of compliance with them..	Ongoing	Education, Qualification and Examination Committee/CPD Committee	Co-operation with professional institutes of Serbia and Montenegro
3.	Ongoing	Review for updating on a yearly basis the translated IESs and IES educational and promotional materials.	Ongoing	Education, Qualification and Examination Committee/CPD Committee	Co-operation with professional institutes of Serbia and Montenegro
4.	Ongoing	Cooperation with other PAOs in the area of education as well as participation in the CFRR EduCop.	Ongoing	Education, Qualification and Examination Committee/CPD Committee	Staff
5.	Ongoing	Stronger collaborations and partnerships with the Faculties of Economics and support in implementation of revised IESs.  Faculty of Economics Banja Luka included IESs in syllabi for Principle of Accounting and Advanced Accounting, Management accounting and Audit.	Ongoing	Education, Qualification and Examination Committee/CPD Committee	Staff
6.	Ongoing	Promoting the accounting profession by supporting university students of economics (through participation in student-organized conferences, career days).	Ongoing	Education, Qualification and Examination	Staff

#	Start Date	Action	Completion Date	Responsibility	Resource
				Committee/CPD Committee	
<i>Upgrading the Professional Education Program to Maintain Quality Accounting Education</i>					
7.	Ongoing	Provide expert support to the AACBH, in all phases of Curriculum Management with focus on the necessary work – ready skills	Ongoing	Education, Qualification and Examination Committee/CPD Committee	Staff
8.	Q3 - 2010	Outline proposal for further development of the BiH common education and examinations program developed that takes into account the developments in IES since the program was designed in 2005. In the previous period, core of curriculum on the level of Bosnia and Herzegovina has been preserved. Having in mind the need to innovate the knowledge and skills of accountants, Working Group for acquiring professional titles and education asked from preparers of exam questions suggestions for changes and updates for standardized curriculum on a national level. This process has been completed  The new curriculum will be used from year 2020.	Completed Q3- 2019	AAARS President	AAARS General Secretary
9.	Q3 - 2011	Organization of team of academic and professional experts to review the possibility of international translation and adoption opportunities for upgraded educational materials to support implementation of a revised syllabus, or to recommend an equally effective solution utilizing the resources available within BiH. This matter depends on a previous one.	Ongoing	AAARS President	Proposal of Education and CPD Committees
10.	Q4 - 2011	Implementation regulations for new professional education program for accounting and audit professionals, together with supporting resources and appropriate teacher training presented to AAARS governing body and BiH Commission for Accounting and Auditing.	Ongoing	Education and CPD Committees	Team of academics/professionals
11.	Ongoing	Ongoing review by AAARS Education Committee, in collaboration with Ministry of Finance (regulator), BiH Commission for Accounting and Auditing standards, as well as neighbor Associations in Federation of Bosnia and Herzegovina (FBiH) and within the region.	Ongoing	AAARS President	Education and CPD Committees

#	Start Date	Action	Completion Date	Responsibility	Resource
12.	Q3 - 2011	<p>In collaboration with regulator (Ministry of Finance), develop and launch a survey to capture information that will ensure that CPD is demand-based, and includes opportunities for members to become updated with ongoing pronouncements issued by the independent standard setting boards supported by IFAC, International Financial Reporting Standard (IFRS) Foundation, implementation of EU <i>acquis communautaire</i> as well as broader skills required to maintain competence and integrity of accounting and audit professionals.</p> <p>Continuing education is focused on maintaining the integrity and competence of professional accountants to ensure the provision of services at the highest level. Planning continuing education involves constant monitoring of changes and developments in international regulations and professional standards, best practices and practical implementation of the legislation. In the planning of continuing education activities, great attention is paid to the obtaining and analysis of information submitted by professional accountants in order to ensure that continuing education activities are focused on the issues that are of importance for the proper implementation and enforcement of international regulations and professional standards in their daily work. This type of research of AAARS members' needs is conducted continuously throughout the year and is considered in the planning of continuing education activities for the coming period. The Education and Professional Development Board meets two times a year and creates the education programs (topics) for individual professional titles. These education programs and topics are shaped based on surveys, as well as questions and issues arising through practice and real-life situations.</p>	Ongoing	Head of Professional Education	Education and CPD committees
<i>Maintaining Ongoing Processes</i>					
13.	Ongoing	Strengthening collaboration with regional PAOs that are Members of IFAC in order to exchange experiences and best practices with a view to full implementation of IESs.	Ongoing	AAARS General Secretary	Staff
14.	Ongoing	The AAARS will continue promoting the IPAE activities.	Ongoing	AAARS General Secretary	Staff
<i>Review of AAARS Compliance Information</i>					
15.	Ongoing	Perform periodic reviews of AAARS' response to SMO 2 Section of the SMO Action Plan.	Ongoing	AAARS General Secretary	Staff

**Action Plan Subject:** SMO 3–International Standards and other Pronouncements Issued by the IAASB  
**Action Plan Objective:** Further the Translation and Implementation of IAASB International Audit Standards and other Pronouncements

<i>Background:</i>					
<p>In accordance with Article 2 of the Law on Accounting and Auditing of Republika Srpska and Law on Accounting and Auditing of Bosnia and Herzegovina, the auditing standards and principles of professional ethics to be applied in Republika Srpska are: (i) the International Standards on Auditing (ISAs), (ii) the Code of Ethics for Professional Accountants, and (iii) any related instructions, explanations and guidance issued by the independent standard setting boards operating under the auspices of IFAC.</p> <p>The BiH Accounting and Auditing Commission, in accordance with these Laws, is the recognized authority for the translation and issuance of ISAs, Code of Ethics for Professional Accountants and any related instructions, explanations and guidance issued by IFAC. According to the Law, this authorization can be transferred to the PAOs. In-line with this legislation, the Commission authorized the AAARS to translate and publish ISAs in Serbian language. AAARS has entered into a formal agreement with the Serbian and Montenegrin PAOs for a common translation of IAASB/IFRS literature, in particular the “Clarified” ISAs. As of 2015, the <u>2016-2017 edition of ISAs</u> has been published and made available to the membership, incorporated into training materials translated by SAAA Serbia.</p> <p>In addition to the translation and publication of ISAs, the AAARS has organized a number of CPD seminars on the implementation of ISAs for professional accountants working in public practice and published audit manuals for auditors on how to perform audits in accordance with ISAs.</p> <p>The AA Serbia has the rights to translate into Serbian language</p> <p>The Guide to Using ISAs in the Audits of Small-and Medium-Sized Entities, Third Edition in accordance with the contract signed with IFAC has been published and made available to the membership, incorporated into training materials. Translated by AA Serbia.</p>					
#	Start Date	Action	Completion Date	Responsibility	Resource
<i>Translation of ISAs and Other IAASB Pronouncements</i>					
16.	Q2 - 2010	Formal signature of a mutual agreement between AAARS, the Serbian and the Montenegrin institutes for a common translation of IFAC/IFRS literature, in particular the “clarified” ISAs.	Ongoing	AAARS General Secretary	AAARS website, magazine and staff
17.	Ongoing	Continuous publication of articles in the professional journals concerning new and amended ISAs.	Ongoing	Accounting and Audit Standards Committee, Education Committees	Professional journals Experts
18.	Ongoing	Strengthening communication and exchanging experiences with practical application of IAASB standards through Accountancy Europe Audit and Assurance Policy Group.	Ongoing	Member of Policy Group	Expert group

#	Start Date	Action	Completion Date	Responsibility	Resource
19.	Q4 - 2011	Print Serbian last edition of ISA and/or provide it on electronic version on AAARS website. Notify members via website of its availability. The process of translation and review of the translation lasted longer than expected.	Ongoing	Accounting and Audit Standards Committee, Education Committees	Staff
20.	Q2 - 2010	<p>Work with fellow professional bodies in the Federation of BiH, translation and adoption bodies in Serbia, Croatia as well as within FBiH to secure common approach within BiH to ensuring updated quality translations of IAASB standards and pronouncements in all of the official languages of BiH.</p> <p>In the framework of regional cooperation, the Association of Accountants and Auditors of the Republic of Srpska, Association of Accountants and Auditors of Serbia and the Institute of Certified Accountants of Montenegro formed a joint commission to translate IFRSs, IFRS for Small and Medium Enterprises (SMEs), the public sector, International Accounting Standards (IASs), ISAs, and ethical standards. Commission work is ongoing and is focused on providing an updated translation of the international professional regulation.</p>	Ongoing	President	Staff and representatives on BiH Commission
<b>Enforcement of IAASB Standards</b>					
21.	Q4 - 2011	<p>Incorporation of Clarified ISA into teaching materials for both Initial Professional Development (IPD) and CPD. This will support the effective implementation of ISAs and other IAASB pronouncements through organization of seminars and conferences.</p> <p>Organizing seminars on auditing. These seminars take place 2x / yr. and focus issues related to:</p> <ul style="list-style-type: none"> <li>• Adoption and implementation of international standards</li> <li>• Recent changes in standards</li> <li>• Application of standards in practice</li> </ul>	Ongoing	Accounting and Audit Standards Committee, Education Committees	Staff
22.	Q2 - 2012	Develop internal systems to monitor compliance with ISAs through complimentary actions to support the Quality Assurance Program (SMO1), for example a sample review of published audited financial statements filed by business organizations with the business registry.	Ongoing	Professional standards department staff	Staff

*Action Plan Developed by  
Association of Accountants and Auditors of Republic of Srpska in Bosnia and Herzegovina (AAARS)*

#	Start Date	Action	Completion Date	Responsibility	Resource
<i>Monitoring Ongoing Processes</i>					
23.	Ongoing	Translation of new standards and guidance and updates of existing standards and guidance provided to the auditing community through publications, the website and incorporation into IPD and CPD programs.	Ongoing	AAARS General Secretary	Staff
<i>Review of AAARS Compliance Information</i>					
24.	Ongoing	Perform periodic review of AAARS' response to SMO 3 Section of the SMO Action Plan and update the response as necessary.	Ongoing	AAARS President	Staff



**Action Plan Subject:** SMO 4–IESBA Code of Ethics for Professional Accountants  
**Action Plan Objective:** Translation, promotion and implementation of the IESBA Code of Ethics

<i>Background:</i>					
<p>In accordance with the Law on Accounting and Auditing of Republika Srpska and Law on Accounting and Auditing of Bosnia and Herzegovina, beside the accounting and auditing standards and related instructions, explanations and guidance issued by the independent standard setting boards operating under the auspices of IFAC, application of the Code of Ethics for Professional Accountants is obligatory for all professional accountants. The BiH Accounting and Auditing Commission, in accordance with these Laws, is the recognized authority for the translation and issuance of ISAs, Code of Ethics for Professional Accountants and any related instructions, explanations and guidance issued by the independent standard setting boards operating under the auspices of IFAC. According to the Law, this authorization can be transferred to PAOs. In-line with this legislation, the Commission authorized the AAARS to translate and publish the IESBA Code of Ethics in Serbian language.</p> <p>In cooperation with the Serbian and the Montenegrin PAOs for a common translation of IESBA/IFRS literature, the IESBA Code of Ethics (2015 edition) has been translated and</p> <p>AAARS does not have IFAC authority to translate, but only to post to website.  <a href="http://www.srrrs.org/dokumenti/Medjunarodni_racunovodstveni_standardi/Eticki_kodeks_za_profesionalne_racunovode_izdanje_2015.pdf">http://www.srrrs.org/dokumenti/Medjunarodni_racunovodstveni_standardi/Eticki_kodeks_za_profesionalne_racunovode_izdanje_2015.pdf</a></p> <p>The printed version of the 2016 edition is available to our membership (translation by AAA Serbia).</p> <p>Implementation of the Code of Ethics is included in CPD, seminars and other trainings.</p> <p>There are no additional ethical requirements for the profession in other legislative instruments.</p>					
#	Start Date	Action	Completion Date	Responsibility	Resource
<i>Translation of Code of Ethics and other IESBA Pronouncements</i>					
25.	Q2 - 2010	<p>Translation of IESBA Code of Ethics (last edition) in compliance with IFAC translation policies.</p> <p>In the framework of regional cooperation, the Association of Accountants and Auditors of the Republic of Srpska, Association of Accountants and Auditors of Serbia and the Institute of Certified Accountants of Montenegro formed a joint commission to translate IESBA Code of Ethics. The Association of Accountants and Auditors of Serbia has the translation rights.</p>	Ongoing	AAARS General Secretary	AAARS website, magazine and staff
26.	Q1 - 2011	Discussion with public authorities (Ministries of Finance and of Justice) on compliance with national legislation. Identification of possible conflict issues with the law, and development of the necessary safeguards to be implemented.	Ongoing	AAARS General Secretary	Staff

27.	Q4 - 2011	<p>Print Serbian edition of IESBA Code of ethics; publish it on the website, and co-ordinate to ensure that other language versions are also made available. Members of the Association of Accountants and Auditors of Republic of Srpska and professional public is informed of all the new releases through continuing education, web sites, regular and periodical publications, congresses, symposiums and seminars.</p> <p>The latest version of Code of Ethics has been presented at the seminars for Certified Auditors and Public Sector Accountants. The public interest' protection and the strengthening of the profession's credibility have been the main topics of the 2019 annual Congress.</p>	Q2—2018 Ongoing	Professional Education Staff	Staff
<i>Maintaining Ongoing Processes</i>					
28.	Ongoing	Translation of new standards and amendments of existing ones timely published and made available to students and members. The Code of Ethics has been published on the RS AAAA web site and is available to the membership. The related relevant topics are regularly presented as part of the CPE seminars.	Ongoing	AAARS General Secretary	Staff
29.	Q3 - 2011	Promote compliance with the IESBA Code and pronouncements amongst members, and also highlight importance of Ethics to all stakeholders. The RS AAA is actively observing any changes of the Code of Ethics and informs its' membership about these changes.	Ongoing	AAARS General Secretary	Staff
30.	Ongoing	The professionals for ethical issues' resolution should be provided to the membership.	Ongoing	AAARS General Secretary	Staff
<i>Review of AAARS Compliance Information</i>					
31.	Ongoing	Perform periodic reviews of AAARS` response to SMO 1 Section of the SMO Action Plan. and update the response as necessary.	Ongoing	President	Staff

**Action Plan Subject:** SMO 5–International Public Sector Accounting Standards and Other Pronouncements Issued by the IPSASB  
**Action Plan Objective:** Promotion of IPSAS and other IPSAS Board Pronouncements

<i>Background:</i>					
<p>According to the laws of Republika Srpska, IPSAS are also applicable and they have been translated into our language. IPSASs have been translated, adopted and implemented within the Entity since 2005. On the basis of bylaws accrual basis IPSASs is applied at all levels of government in the Republika Srpska IPSASs were last translated in 2013 edition. <a href="http://www.srrrs.org/?strana=ipsas">http://www.srrrs.org/?strana=ipsas</a>. In the framework of regional cooperation, the Association of Accountants and Auditors of the Republic of Srpska, Association of Accountants and Auditors of Serbia and the Institute of Certified Accountants of Montenegro formed a joint commission to translate the latest version of IPSAS. The translation rights have been granted to the Association of Accountants and Auditors of Serbia. According the Law on Budget System of Republika Srpska and the Law on Treasury of Republika Srpska, the Ministry of Finance is the institution responsible for legal adoption of IPSASs. When implementing IPSASs, Republika Srpska utilizes the accrual basis.</p> <p>CFRR is implementing PULSAR project, which includes Western Balkan countries too. One of the project activities is IPSAS ToT and some of our trainers have successfully completed the training in December 2019 in Sarajevo.</p> <p>Currently, 15% of AAARS membership consists of public sector accountancy professionals. To address the educational and professional needs of this demographic, the AAARS develops seminars to focus on issues of adoption and implementation of IPSASs and publishes a manual on seminar proceedings which not only addresses topics discussed, but includes articles and examples of the practical application of IPSASs.</p>					
#	Start Date	Action	Completion Date	Responsibility	Resource
<i>Translation of IPSASs</i>					
32.	Q3 - 2010	Formalize the duties of each stakeholder in the translation process (national professional bodies, national governments of Republika Srpska, Serbia and Montenegro).	Q4 - 2010 Completed Ongoing	President AAARS	AAARS General Secretary
33.	Q3 - 2010	Encourage the development of a sustainable approach to translation and supporting implementation of IPSASs and related guidance of the IPSAS Board.	Q4 - 2010 Completed Ongoing	President AAARS	AAARS General Secretary
<i>Supporting Members with the Implementation of IPSASs</i>					
34.	Q1 - 2011	Setting up specific training modules for accountants and auditors of the public sector that incorporates coverage of IPSASs. These seminars take place 2x / yr	Ongoing	Accounting and Audit Standards Committee, Education Committees	Staff

35.	Q1 - 2005	Organizing seminars on public sector accounting and auditing. These seminars take place 2x / yr. and focus on public sector issues related to: <ul style="list-style-type: none"> <li>• Adoption and implementation of international standards</li> <li>• Recent changes in standards</li> <li>• Application of standards in practice</li> <li>• Disclosure of findings of audits of PS entities</li> </ul>	Ongoing – 2x per year	Accounting and Audit Standards Committee, Education Committees	Staff
36.	Q1 - 2005	Publication of Public Sector Seminar Manuals. These manuals focus on a range of public sector issues which are typically discussed during the Public Sector Seminars. These include: <ul style="list-style-type: none"> <li>• Presentations and key findings from the seminars</li> <li>• Articles on the implementation of standards</li> <li>• Case examples of practical application issues</li> </ul>	Ongoing	Accounting and Audit Standards Committee, Education Committees	Staff
<i>Maintaining Ongoing Processes</i>					
37.	Ongoing	Translation of new standards and amendments of existing ones timely published and incorporated in education programs.	Ongoing	Accounting and Audit Standards Committee, Education Committees	Staff
38.	Ongoing	Regular responses to IPSASB consultations on technical issues (principally exposure drafts).	Ongoing	Accounting and Audit Standards Committee	Staff
39.	Ongoing	The membership is being informed on international developments and latest news in this field through the magazines and periodical and annual meetings with the membership.	Ongoing	Accounting and Audit Standards Committee	Staff
<i>Review of AAARS Compliance Information</i>					
40.	Ongoing	Perform periodic review of AAARS' response to SMO 5 section of the SMO Action Plan.	Ongoing	AAARS President	Staff

**Action Plan Subject:** SMO 6–Investigation & Discipline

**Action Plan Objective:** Upgrade Investigation and Disciplinary Procedures in Order to Meet the Requirements of SMO 6

*Background:*

The AAARS' system of disciplinary procedures and disciplinary liability has been adopted in year 2002 by means of the Rules on Disciplinary Procedures. It has been amended in year 2005 in order to adjust the system with the SMO6. The Ministry of Finance of Republika Srpska is not included in these investigation and disciplinary procedures. Based on the decisions of the Honor Court, the RS Ministry of Finance decides whether it will allow the RSAAA members to perform audit activities or not. Investigatin and disciplinary procedures in this moment are compliant to the SMO 6 and current legal provisions of the Republika Srpska legislation. The AAARS continously endeavors to timely bring their rulebooks and procedures in compliance with the legislative changes.

The AAARS system of investigation and discipline is housed in the organization's Honor Court. The Honor Court in its work applies following internal acts: AAARS Rules of Disciplinary procedures for the implementation of the Codex of ethics (No. 230/08 from June 2<sup>nd</sup> 2008) , AAARS Rules of Procedures of the Honor Court ( from December 10<sup>th</sup> 2010), AAARS Statute (No. 130/12 from February 28<sup>th</sup> 2012). These internal regulations are in accordance with the regulations of RS Law on Accountancy and Audit ("Official Gazette of Republic of Srpska" , No 36/09, 52/11 and 94/15) and with the instructions which are at some point provided by IFAC (Statement of Membership Obligation 6 - Investigation and Disciplinary Procedures). The RS Law on Accountancy and Audit doesn't foresee a conduction of procedures for the delicts committed by the AAARS' members, but it does foresee AAARS' obligations if AAARS doesn't submit the annual reports to the Government of the Republic of Srpska. The fine, in accordance with the provisions of the Article 65 regarding of the Article 57 of the Accounting and Auditing Law of Republike Srpska.

Normative acts of the AAARS and the Honor Court are keeping up with current laws in the area of accounting. Adjustment happens every time when the legislator conducts some kind of a change or a new law associated with the accounting as an institute.

All members of the AAARS are made aware of the various infractions which may cause investigation and disciplinary procedures as well as the relevant sanctions through the AAARS' professional magazine. In the procedure of our members' responsibilities – all institutions that are in need of our members' services are de facto included. The Honor Court acts, based on the knowledge of any kind, as if the member of AAARS has committed a delict which is a direct violation of the codex. The Honor Court also acts if some of our members get labeled for committing a delict in the means of public information. The Honor Court, legally, in Bosnia and Herzegovina has no jurisdiction in conducting other procedures. Criminal Courts conduct procedures for criminal responsibilities and are not associated with decision of the Honor Court of the AAARS. On the basis of criminal convictions - the Court of Honor imposes the highest predicted sentence (sanction) onto the member. In that way, The Honor Court decides what are the violations of the Codex of Ethics, and it also uses the decisions of other institutions that work within their jurisdiction, but that does not mean that those decisions affect the verdict in its entirety. The Court has the entire membership's support, the conducted sanctions which are in interest of the Court's work have also affected the members' work, and the number of violated standards as well as the overall violations of business relationships within our membership - has dropped drastically. The AAARS itself does not withhold any assistance or help, when it come to court's performances, there will be a full technical and material help in each phase of the procedure against the member. When it come to gathering informations, proving the facts, or similar - the same relation/process is applied to anybody who initiates a procedure against the member.

Upon receipt of the objection regarding the professional or ethical behavior of a member, the Honor Court is convened. This Court is comprised of three independent individuals: 1 business community representative, 1 accountant representative, and 1 auditor representative. The Honor Court reviews the objection, makes the investigation and imposes offers a discipline when necessary. The appeals to these decisions are permitted and are submitted to a special body which is independent from the Court, the case and the individual.

The Court was in a continuous contact with the Committee for monitoring, implementation and control of the AAARS' regulation implementation, of which jurisdiction (the Committee's jurisdiction) includes initiation of the disciplinary procedures in front of the Honor Court in case there's a violation of the regulations from the field of accounting. Under the [2016 Standards Act on quality control in accounting and auditing profession in Republic of Srpska](#), the initiation of disciplinary proceedings shall be decided by the Committee's. With the decision that contains a description of facts, conduct or circumstances which led to the disciplinary proceedings, stating the evidence on which to initiate the procedure and grounds for the decision.

The Honor Court receives all the reports of the Comission, which the Commission sends during the calender year. The Honor Court acts within its authority based on information and reports on breaches of the Code of Ethics by members of the Association during their professional activities. ~~The Court received these reports which were primarily of informative significance. The Court is acting based on its jurisdiction and on the notice of misconduct in the Association members' work.~~ The Court will hold a trial and determine the member` responsibility in this infringement. An appeal is allowed against the Court's decision.

~~We expect that the Committee will begin in 2015 to implement its purpose wholly, to find and inform the Court on any deviations noticed in the members` work, which will be a starting point to trial and sanction those members.~~ In this respect, the Honour Court in regular contact with the the Committee for monitoring, implementation and control of the AAARS' regulation implementation. The Committee has undertaken education initiatives and raised awareness of the members about its activities. In accordance with the AAARS Rules on Disciplinary Procedures, notice of any disciplinary action that results in suspension and expulsion from AAARS shall be published in the current AAARS publications. There is a strong, and by law obligated, communication between the AAARS and the Ministry of Finance.

#	Start Date	Action	Completion Date	Responsibility	Resource
<i>Review for Compliance with SMO 6</i>					
41.	Q4 - 2010	Review the current system of investigation and discipline for efficiency, effectiveness and for compliance with requirements of SMO 6 on Investigation and Discipline. Also, take into account the requirements of the EC Statutory Audit Directive.	Q2 - 2011 Completed Ongoing	AAARS Board General Secretary	Staff
42.	Q2 - 2011	Create a report detailing the findings and recommendations stemming from this review and distribute to relevant parties.	Q2 - 2011 Completed Ongoing	President AAARS General Secretary	Staff
43.	Q2 - 2011	Develop and finalize a new system for AAARS investigation and discipline system that incorporates the findings and recommendations from the review. The current investigation and discipline system enables for:	Q4 - 2011 Completed	President AAARS General Secretary	Staff

#	Start Date	Action	Completion Date	Responsibility	Resource
		<ul style="list-style-type: none"> <li>• Clearer mechanism for attracting complaints and detecting breaches of professional or ethical standards,</li> <li>• Speedy but effective scheme for investigations,</li> <li>• Fair but transparent disciplinary scheme, and</li> </ul> <p>Due process provision for appeals.</p>	Ongoing		
44.	Q4 - 2011	Present new finalized system to the Board and obtain Board approval.	Completed Ongoing	AAARS Board President AAARS General Secretary	Staff
45.	Q4 - 2012	Coordination of Court's work with the Committee for monitoring, implementation and control of implementation in the field of accounting and auditing.	Constantly	AAARS Board President AAARS General Secretary	Staff
46.	Q4 - 2012	<p>Establish contact with similar institutions in the region for monitoring possible misuse by the Association's members. We cannot be sure in success of this initiative, but the Court will try with the circular letter to establish the cooperation with similar institutions.</p> <p>The Honor Court has given itself a task to establish a communication with similar institutions in neighboring countries, but for now there are no results. At this moment it is hard to predict what the response will be on this initiative. Concept of this cooperation is to exchange experiences, knowledge and if possible to harmonize them. This cooperation could minimize activities of misuse in members' work and have very good preventive effects which would be beneficial for every country in the region. The Court will be determined to organize a gathering, because the goal is for the volume of responsibility to be adjusted equeally across the all neighboring countries. This is needed because there are certain, special, interstate agreements, and some of the memebers have dual citizenship, which in some cases may be the reason for avoiding the responsibility.</p>	Constantly	AAARS Board President AAARS General Secretary	Staff
<i>Maintaining Ongoing Processes</i>					
47.	Ongoing	Continue to promote the critical aspect of the need to comply with both IFAC/IESBA pronouncements and AAARS bylaws.	Constantly	President AAARS	AAARS General Secretary

#	Start Date	Action	Completion Date	Responsibility	Resource
48.	Ongoing	Update IPD and CPD programs for improvement of disciplinary scheme.	Constantly	Education Committee	Staff
49.	Ongoing	Communicate on activity in the annual report and on the AAARS website. The Rule Book on Investigation and Disciplinary Mechanisms has been made available at the AAARS web site.	Constantly	AAARS President	AAARS General Secretary
50.	Ongoing	AAARS will review the revised requirements of SMO 6 and take actions to ensure that the Investigation and Disciplinary mechanisms of AAARS meet these new requirements.	Ongoing	AAARS President	Staff
<i>Review of AAARS Compliance Information</i>					
51.	Ongoing	Perform periodic review of AAARS' response to SMO 6 Section of the IFAC Compliance Self-Assessment questionnaire and update the response as necessary. Once updated, inform IFAC Compliance staff about the updates in order for the Compliance staff to republish updated information.	Ongoing	President	Staff

### Main Requirements of SMO 6

Requirements	Y	N	Partially	Comments
<b>Scope of the System</b>				
1. A system of investigation, discipline and appeals exists for the accountancy profession. The system is operational.	x			
2. Information about the types of misconduct which may bring about investigative actions is publicly available.	x			
<b>Initiation of Proceedings</b>				
3. Both a "complaints-based" and an "information-based" approach are adopted.	x			



Requirements	Y	N	Partially	Comments
4. Link with the results of QA reviews has been established.		x		
<b>Investigative Process</b>				
5. A committee or similar body exists for performing investigations.		x		
6. Members of a committee are independent of the subject of the investigation and other related parties.	x			
<b>Disciplinary Process</b>				
7. A separate disciplinary committee/entity exists to make disciplinary decisions on referrals from the investigation committee.		x		
8. Members of the committee/entity include professional accountants as well as non-accountants.	x			
9. The tribunal exhibits independence of the subject of the investigation and other related parties.	x			
<b>Sanctions</b>				
10. The disciplinary system allows imposing an extensive range of penalties. It is particularly important to include (a) loss of professional designation; (b) restriction and removal of practicing rights; and (c) exclusion from membership.	x			
<b>Rights of Representation and Appeal</b>	x			Decisions regarding any appeals are made by the AAARS' Management Board

Requirements	Y	N	Partially	Comments
11. A third appeals body exists which is separate from both the disciplinary committee and investigative committee.				
<b>Administrative Processes</b>				
12. Timeframe targets for disposal of all cases are set.	x			Timeframe is defined by how difficult the case is and the need for proof.
13. Tracking mechanisms to monitor progress in investigation and discipline and related procedures are established.	x			
14. Records of investigations and disciplinary processes are established.	x			There is a Protocol of the Honor Court.
<b>Public Interest Considerations</b>				
15. Activities are supported to ensure that the public is aware that an investigative and disciplinary system exists in the jurisdiction.	x			The public is informed through the "Finrar" professional magazine.
16. A process for the independent review of complaints on which there was no follow-up established.		x		
17. The results of the investigative and disciplinary proceedings are made available to the public.	x			
<b>Liaison with Outside Bodies</b>				
18. There is an appropriate process for liaison with outside bodies on possible involvement in serious crimes and offences.	x			Exchange of information with the Public Prosecution's Office and ordinary Courts.
<b>Regular Review of Implementation and Effectiveness</b>	x			Annual report for the AAARS' Management Board and per request of the RS Ministry of Finance

<b>Requirements</b>	<b>Y</b>	<b>N</b>	<b>Partially</b>	<b>Comments</b>
19. Regular review of implementation and effectiveness of the system are performed and corrective actions are implemented.				

**Action Plan Subject:** SMO 7–International Financial Reporting Standards and Other Pronouncements issued by the IASB  
**Action Plan Objective:** Promoting the Adoption and Assisting with the Implementation of IFRS

<i>Background:</i>					
<p>In accordance with Article 2 of the Law on Accounting and Auditing of Republika Srpska <a href="http://www.srrrs.org/dokumenti/engleski/regulation/RS_Law_on_Accounting_and_Auditing_2015.pdf">http://www.srrrs.org/dokumenti/engleski/regulation/RS_Law_on_Accounting_and_Auditing_2015.pdf</a> and Law on Accounting and Auditing of Bosnia and Herzegovina, the accounting standards to be applied in all of the territory of BiH are: (i) the International Accounting Standards (IASs), that is, International Financial Reporting Standards (IFRSs), and (ii) related instructions, explanations and guidance issued by the International Accounting Standards Board. Application of IFRS for SMEs is permitted. Only the application of the translated editions is mandatory, while application of the English version can be prescribed exclusively by the regulatory bodies, such as the RS Banking Agency (for IFRS 9).</p> <p>The BiH Accounting and Auditing Commission, in accordance with these Laws, is the recognized authority for the translation and issuance of IFRSs and any related instructions, explanations and guidance issued by the International Accounting Standards Board (IASB). According to the Law, this authorization can be transferred to the PAOs. In-line with this legislation, the Commission authorized the AAARS to translate and publish IFRSs into Serbian language. The 2013 version of IFRSs has been translated and is being applied. The Ministry of Finances of Serbia has been granted the rights to translate the latest edition into Serbian language and these activities are almost completed. According to our information, these activities are almost completed. IFRS for SMEs – edition 2015 has been translated and made available on the AAARS website at <a href="http://www.srrrs.org/?strana=mrs_za_sme">http://www.srrrs.org/?strana=mrs_za_sme</a>. The IFRS Foundation has granted the rights to publish the translation to the AAARS. Given that this is a complex material that requires significant resources to translate, as an acceptable solution to this problem, we found through CPD program, through which accountants and auditors are trained and informed about the latest publications and developments regarding IAS / IFRSs .</p> <p>In addition to the translation and publication of IFRSs, the AAARS has organized a number of seminars of CPD on the topic of implementation of latest IFRSs for professional accountants working in both the private and public sector. Additionally, they publish several manuals on the practical implementation of specific IFRSs.</p>					
#	Start Date	Action	Completion Date	Responsibility	Resource
<i>Translation of IFRSs</i>					
52.	Ongoing	<p>Translate IFRSs and IFRS Interpretations Committee (IFRIC) pronouncements on timely basis and in compliance with IASB procedures.</p> <p>The Ministry of Finances of Serbia has been granted the rights to translate the latest edition into Serbian language and these activities are almost completed. The IFRS Foundation has granted the rights to publish the translation to the AAARS.</p>	<p>Q4 - 2010</p> <p>Completed</p> <p>Ongoing</p>	Accounting and Auditing Standards Committee	Staff

53.	Ongoing	The IFRS Foundation has granted the rights to publish the translation to the AAARS. Undertake steps to provide for financial funds necessary for these activities.	Ongoing	Accounting and Auditing Standards Committee	Staff
54.	Ongoing	Comment on new/amended standards/interpretation on the website and in professional magazines. the topics of the seminar from CPD program, held in October 2019 was the presentation of IFRS 15 and IFRS 16	Ongoing	Accounting and Auditing Standards Committee	Staff
<i>Support with the Implementation of IFRS</i>					
55.	Ongoing	Organize seminars on IFRS adoption and implementation. These conferences traditionally focus on : <ul style="list-style-type: none"> <li>• IFRSs,</li> <li>• Practical implementation issues,</li> <li>• Scope and limits of IFRSs,</li> <li>• Future of IFRSs.</li> </ul>	Ongoing	Accounting and Auditing Standards Committee	Staff
56.	Q3 - 2010	Develop responses to European Financial Reporting Advisory Group (EFRAG) and EC proposals and analysis on the difference between the Directive 2013/34/EU (previously EU 4 <sup>th</sup> and 7 <sup>th</sup> Directives) and the IFRSs, and develop a position on same for BiH. Since 2020 the new curriculum (IPD) will be applied, which also contains the requirements of the new IFRS.	Ongoing	General Secretary	Staff
<i>Promotion of IFRS for SMEs</i>					
57.	Q3 - 2010	<del>Promote the adoption of the IFRS for SME standard within BiH, as an interim solution to the accounting standards requirements for non-public interest entities.</del> Ensuring high quality CPD options on practical application of IAS/IFRS	<del>Q4 - 2010</del> Completed Ongoing	AAARS President	Education Committees and Accounting and Auditing Standards Committee
58.	Q1 - 2011	Facilitate the development of an adoption agreement between IASCF and the Ministry of Finance, and a Translation Agreement between IFRS Foundation and an appropriate translation body for Serbian.	Q3 - 2011 Completed Ongoing	AAARS President	Education Committees and Accounting and Auditing Standards Committee

59.	Q4 - 2010	Recommend alternate models for the adoption of IFRSs and the IFRS for SMEs in BiH, including the definition of the scope of application of the IFRS for SME standard, in conjunction with the FBiH Entity and neighbor countries.  Law permits SMEs to apply either IFRSs or IFRS for SMEs. During CPD all standards for SMEs have been presented and the differences between IFRS and IFRS for SMEs were emphasized.	Q4 - 2010 Completed Ongoing	Accounting and Auditing Standards Committee	Staff
<i>Teaching the Teachers</i>					
60.	Q4 - 2010	Arrange specific training sessions for the educators who will have the charge to teach the future users, both during initial formation and CPD (in collaboration with the IFRS Foundation regional approach to teacher training, and utilizing the IFRS Foundation training materials for the IFRS for SMEs).	Ongoing	Education Committees and Accounting and Auditing Standards Committee	Staff
<i>Maintaining Ongoing Processes</i>					
61.	Ongoing	Translation of new standards and amendments and pronouncement of existing ones timely published and incorporated in education programs. The Ministry of Finance of Serbia has the rights to translate the latest edition IAS/IFRS into Serbian language. According to our information, these activities are almost completed.  IFRS for SMEs has been translated and have been published on the AAARS wweb site ( <a href="http://www.srrrs.org/?strana=mrs_za_sme">http://www.srrrs.org/?strana=mrs_za_sme</a> ).	Ongoing	AAARS General Secretary	Staff
<i>Review of AAARS Compliance Information</i>					
62.	Ongoing	Perform periodic reviews of AAARS` response to SMO 7 Section of the SMO Action Plan.	Ongoing	President	Staff