



SAVEZ RAČUNOVOĐA, REVIZORA I FINANSIJSKIH RADNIKA FBiH
SAVEZ RAČUNOVOĐA, REVIZORA I FINANSIJSKIH DJELATNIKA FBiH

UNION OF ACCOUNTANTS, AUDITORS AND FINANCIAL WORKERS OF THE FEDERATION
OF BOSNIA AND HERZEGOVINA

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December 6, 2019

Ms. Maria Chivasheva
Senior Technical Manager, Quality & Development
International Federation of Accountants (IFAC)
529 5th Avenue
New York, New York 10017 USA
MariaChivasheva@ifac.org

Dear Ms. Chivasheva,

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

This letter is to confirm that the leadership of the Union of Accountants, Auditors and Financial Workers of Federation of Bosnia and Herzegovina (UAAFWEBH) has reviewed the information contained in the SMO Action Plan prepared by UAAFWEBH as part of the IFAC Member Compliance Program and will provide institutional support for its implementation.

On behalf of the leadership of the UAAFWEBH, 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,

Augustin Mišić, Vice-President



Union of Accountants, Auditors and Financial Workers of Federation of Bosnia and Herzegovina

BACKGROUND NOTE ON ACTION PLANS

SMO Action Plans are developed by IFAC Members and Associates to demonstrate fulfillment of IFAC Statements of Membership Obligations (SMOs). SMOs require IFAC Members and Associates to support the adoption¹ and implementation² of international standards and other pronouncements issued by independent standard-setting boards under the auspices of IFAC as well as by the International Accounting Standards Board (IASB); and to establish a Quality Assurance (QA) review and Investigation and Disciplinary (I&D) systems.

IFAC Members and Associates conduct a self-assessment against the requirements of SMOs and identify areas where improvements are needed. Based on the results of the assessment, Members and Associates develop an SMO Action Plan to (a) demonstrate how they fulfill the requirements of the SMOs and (b) where some requirements are not yet addressed, to present plans towards their fulfillment.

SMO Action Plans are designed to be ever-green documents that provide a comprehensive description of the accountancy profession and its legislative and regulatory environment in the jurisdiction as well as the actions undertaken by IFAC Members or Associates to support adoption and implementation of international standards and best practices.

Regular updates of the SMO Action Plans are required as part of the IFAC Member Compliance Program.

Use of Information

Please refer to the [Disclaimer](#) published on the Compliance Program website.

ACTION PLAN

IFAC Member:	Union of Accountants, Auditors and Financial Workers of Federation of Bosnia and Herzegovina (UAAFWEBH)
Approved by Governing Body:	Board of UAAFWEBH
Original Publishing Date:	May 2011
Last Update:	December 2019
Next Update:	December 2022

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

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

GLOSSARY

AA	Authorized Auditor
AAARS	Association of Accountants and Auditors of Republic of Srpska in Bosnia and Herzegovina
AACBH	Accounting and Auditing Commission of Bosnia and Herzegovina
AE	Accountancy Europe
AML/CFT	Anti Money Laundering/Counter Financing of Terrorism
BH	Bosnia and Herzegovina
CA	Certified Accountant
CAT	Certified Accounting Technician
CPD	Continuous Professional Development
CAC	Croatian Audit Chamber
CAFBH	Chamber of Auditors of the Federation of Bosnia and Herzegovina
FATF	Financial Action Task Force
FBH	Federation of Bosnia and Herzegovina
FIA	Financial-intelligence Agency
ICAEW	Institute of Chartered Accountants in England and Wales
I&D	Investigation and Discipline
IAASB	International Auditing and Assurance Standards Board
IAESB	International Accounting Education Standards Board
IASB	International Accounting Standards Board
IASs	International Accounting Standards
IESs	International Education Standards
IESBA	International Ethics Standards Board for Accountants
IFAC	International Federation of Accountants
IFRSs	International Financial Reporting Standards
IPAE	International Panel on Accountancy Education
IPD	Initial Professional Development
IPSASs	International Public Sector Accounting Standards
IPSASB	International Public Sector Accounting Standards Board
ISAs	International Standards on Auditing
ISQC	International Standard on Quality Control
MoF	Ministry of Finance
PAO	Professional Accountancy Organization
PIE	Public Interest Entity
POB	Public Oversight Body
PULSAR	The Public Sector Accounting and Reporting Program
QA	Quality Assurance
SME	Small and Medium Enterprise
SMO	Statement of Membership Obligations
UAAFWEBH	Union of Accountants, Auditors and Financial Workers of Federation of Bosnia and Herzegovina

Action Plan Subject: SMO 1–Quality Assurance
Action Plan Objective: Create a System of Quality Assurance

#	Start Date	Actions	Completion Date	Responsibility	Resource
Background:					
<p>The FBiH Accounting and Auditing Law, which was enacted in 2009, provided a framework for establishment of a quality assurance system for audit firms and authorized auditors. All prerequisites for implementation of this new system have been fulfilled and the FBiH Chamber of Auditors (CAFBH) adopted decision in April 2017 that all implementation requirements were fulfilled. Conclusion on fulfilment of requirements is available at this link https://www.rkfbih.ba/upload/file/akti_komore/Zakljucak-o-provedenom-ciklusu-edukacije-u-smislu-clana-20-Pravilnika-o-nadzoru-i-provjeri-kvalitete-rada-drustava-za-reviziju-i-ovlastenih-revizora.pdf</p> <p>According to the POB report the system is not fully operational by the end of 2019.</p> <p>Pursuant to the Article 65 of the Accounting and Auditing Law, the subjects of QA are audit firms and authorized auditors. The frequency of inspections is adapted to the requirements of Directive, which stipulates that Quality Assurance inspection is to be conducted at least once in six years, with the exception of auditing companies that audit the Public Interest Entities (PIE) and must be subject to inspection at least once every three years. The Union support to the implementation of QA system was to translate and publish the International Standard on Quality Control - ISQC 1 and International Standard on Auditing (ISA) 220, in order to make them available to all our members, as well as to provide relevant training and education.</p> <p>In February 2019, based on cooperation with CAC (Croatian Audit Chamber) and IFAC's prior approval on sub-licensing, we published the Croatian language version of the Handbook of International Quality Control, Auditing, Review, Other Assurance, and Related Services Pronouncements, 2016-2017 Edition. It is publicly available at: http://www.srr-fbih.org/me%C4%91unarodnirevizijiskistandardi-21</p> <p>The latest Handbook of International Quality Control, Auditing, Review, Other Assurance, and Related Services Pronouncements, 2018 Edition was published in October 2019 as part of the same cooperation with the CAC and is publicly available at: http://www.srr-fbih.org/me%C4%91unarodnirevizijiskistandardi-21</p> <p>. Observing the described practice and with the aim to provide support to authorized auditors, we have also published the Guide to Quality Control for Small and Medium-Sized Practices, Third Edition. It is publicly available at: http://www.srr-fbih.org/File/Download?idFi=132</p> <p>The Public Oversight Body (POB) was established in January 2014; its core activities include oversight of registration of audit firms, adoption of professional ethics standards, internal quality control of audit firms, continuing professional education, quality assurance, and disciplinary system. MoF has drafted the new Accounting and Auditing Law which partially transposed EU <i>acquis</i> on financial reporting and auditing. All key stakeholders were consulted in the law-drafting process. Also, the draft included the suggestions given by WB CFRR team regarding the better assignment of responsibilities and ensuring the adequate coordination and cooperation mechanisms, which will contribute to improvement of an overall quality assurance system. The draft law is in parliamentary procedure.</p> <p>The responsibility for developing a minimum methodology for quality assurance reviews of audit firms and authorized auditors and carrying out those quality assurance reviews of audit firms and authorized auditors lies with the Chamber of Auditors. The Chamber was established and became operational in 2011, under Article 61 of the FBH A&A Law. In 2017, the Chamber adopted revised the Rulebook on Oversight and Quality</p>					

#	Start Date	Actions	Completion Date	Responsibility	Resource
Control for Audit Firms and Authorized Auditors.					
It is available on the following link:					
https://www.rkfbih.ba/upload/file/akti_komore/Pravilnik_o_nadzoru_i_provjeri_kvalitete_rada_drustava_za_reviziju_i_ovlastenih_revizora_1.pdf					
https://www.rkfbih.ba/upload/file/akti_komore/Odluka_o_izmjenama_i_dopunama_Pravilnika_o_nadzoru_i_provjeri_kontrole_kvaliteta.pdf					
Also, the Rulebook on the Minimum Form and Contents of Audit Working Papers was published. It is available on the following link:					
https://www.rkfbih.ba/upload/file/akti_komore/Pravilnik_o_minimalnom_obliku_i_sadrzaju_dokumentacije_revizije.pdf					
<p>Having recognized the need for introduction of an efficient quality assurance system for all members of the profession, six PAOs from the region (including UAAFWEBH) 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. The above activities resulted in the design of the basic relevant documentation and supporting materials for the start of the introduction of the volunteer scheme from the beginning of 2019 and integration of quality assurance scheme for accountancy service providers in legislation of FBH (The Ministry of Finance has accepted the proposals of the UAAFWEBH and integrated the introduction of a quality assurance system for accountants in public practice into the new Accounting and Auditing Law, which is in the legislative process). This support will make easier for the UAAFWEBH to provide a comprehensive support to members. In this way UAAFWEBH enables members to improve the processes and raises the quality bar in accountancy services. System is based on ISQC 1 and IESBA Code of Ethics for Professional Accountants. UAAFWEBH actively participate in the process of public consultation and quality assurance is at the top of strategic priorities.</p>					
<i>Supporting and Promoting the Development of the Quality Assurance Review System</i>					
1.	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&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</p>	Ongoing	Board QA Committee	Board Quality Assurance Committee Professional Ethics Committee Staff

#	Start Date	Actions	Completion Date	Responsibility	Resource
		<p>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: Support for the development of an internationally recognised Quality Assurance (QA) scheme for accountancy, developed by each PAO using experience gained through the workshops. 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. 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. Practical assistance to achieve an alignment of QANASP bodies around best practice, through support for the development of common 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.</p>			
2.	Q1-2018	<p>Resulting from the aforementioned activities, in 2019, the Union will start a two-year pilot implementation of QA for practitioners.</p> <p>To effectively prepare for a pilot implementation, UAAFWEBH developed a detailed pilot approach:</p> <ul style="list-style-type: none"> • Developing documentation • Developing manual • Training 	Q4-2020	Board QA Committee	Board Quality Assurance Committee Professional Ethics Committee Staff

#	Start Date	Actions	Completion Date	Responsibility	Resource
		<ul style="list-style-type: none"> • Stakeholder engagement • Reporting • Review and Assessment • Adaptations • IT procurement process • Monitoring and control of pilot implementation • Continually reviews documentation <p>The project will start with a questionnaire-based overview (soft approach), followed by the use of the pilot review technique and upgrading of the risk register, ultimately leading to full implementation.</p>			
3.	Q2-2019	Publish translation of 2018 Handbook of International Quality Control, Auditing, Review, Other Assurance, and Related Services Pronouncements in collaboration with CAC	Q4-2019	Board	Committee for Professional Standards and Translation Staff
<i>Adopting and Assisting with the Implementation of the Quality Control Standards</i>					
4.	Ongoing	Ensuring high quality CPD options for practitioners and ongoing member support and communication (Formal meetings, focus groups, delivery of presentations of QA committee at conferences, interactive workshops)	Ongoing	Board CPD Committee	Quality Assurance Committee Professional Ethics Committee CPD Committee Staff
<i>Maintaining Ongoing Processes</i>					
5.	Ongoing	Capacity building of QA teams	Ongoing	QA Committee	Quality Assurance Committee Committee for International and Local Cooperation Pool of experts
6.	Ongoing	Effective collaboration with regional PAOs that are Members of IFAC in order to share knowledge with a view to improve the QA system.	Ongoing	QA Committee	Professional Ethics Committee Quality Assurance Committee Committee for International and Local Cooperation

#	Start Date	Actions	Completion Date	Responsibility	Resource
<i>Review of UAAFWEBH Compliance Information</i>					
7.	Ongoing	Perform periodic review and update of section relevant to SMO 1 as necessary. Once updated inform IFAC.	Ongoing	QA Committee	Professional Ethics Committee Quality Assurance Committee Committee for International and Local Cooperation Staff

Main Requirements of SMO 1

Requirements	Y	N	Partially	Comments
Scope of the System				
1. At a minimum, mandatory QA reviews are required for all audits of financial statements.	X			
Quality Control Standards and Other Quality Control Guidance				
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			

Requirements	Y	N	Partially	Comments
Review Cycle				
5. A cycle-based, risk-based, or a mixed approach for selecting firms for QA review is used.	X			Cycle based for audit firms
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			
QA Review Team				
7. Independence of the QA Team is assessed and documented.	X			
8. QA Team possesses appropriate levels of expertise.	X			
Reporting				
9. Documentation of evidence supporting the quality control review report is required.	X			
10. A written report is issued upon conclusion of the QA review and provided to the firm/partner reviewed.	X			
Corrective and Disciplinary Actions				
11. Reviewed firms/partners are required to make timely adjustments to meet recommendations from the review report.	X			
12. QA review system is linked to the Investigation and Discipline system.	X			

Requirements	Y	N	Partially	Comments
<p>Consideration of Public Oversight</p> <p>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.</p>	X			
<p>Regular Review of Implementation and Effectiveness</p> <p>14. Regular reviews of implementation and effectiveness of the system are performed.</p>	X			

Action Plan Subject: SMO 2–International Education Standards for Professional Accountants and Other Pronouncements issued by the IAESB
Action Plan Objective: Further the compliance of UAAFWEBH certification and CPD programs with IESs

#	Start Date	Actions	Completion Date	Responsibility	Resource
<p>Background: The Accounting and Auditing Commission of Bosnia and Herzegovina (AACBH) adopted and require application of the International Education Standards (IESs) issued by the International Accounting Education Standards Board (IAESB) by both PAOs since 2006.</p> <p>In line with this, the UAAFWEBH integrated the IESs into the education programmes, certification requirements, and continuous professional development of its members. Key competency areas and professional skills relevant to business and the public sector are incorporated to some extent in the syllabus in accordance with the IES.</p> <p>In accordance with IFAC Policy on Translations, UAAFWEBH translated and published the Bosnian and Croatian language versions of the Handbook of International Education Pronouncements, 2015 Edition. They are publicly available at: http://srr-fbih.org/File/Download?idFi=1898</p> <p>Initial Professional Development (IPD) The requirements regarding formal education, practical experience, and verification of knowledge for the acquisition of professional accountancy qualifications have been harmonised with the IES and the Statutory Audit Directive requirements. The curricula for acquisition of professional qualifications in accountancy profession in BiH was updated and is available at http://www.srr-fbih.org/File/Download?idFi=2124</p> <p>There are three types of accountancy-related professional qualifications in BH: Certified Accounting Technician (CAT), Certified Accountant (CA), and Authorized Auditor (AA). Membership is required for the holders of professional titles, as well as for the students.</p> <p>I. CAT: The requirements for acquiring the CAT qualification are completion of four years of secondary education, three years of practical experience in bookkeeping, and passing the exams necessary for this level. The exams are given in the following subjects:</p> <ol style="list-style-type: none"> 1. Introduction to Financial Accounting 2. Cost Accounting and Management Accounting 3. Management and Communications 4. Information Technology and Applications <p>II. CA: The requirements for acquiring the CA qualification are a university degree, three years of practical experience in accounting and finance, and passing the exams necessary for this level. The exams are given in the following subjects:</p> <ol style="list-style-type: none"> 1. Business Law and Taxes 2. Application of Management Accounting 3. Financial Reporting 4. Auditing and Systems of Internal Control 5. Implementation of Financial Management <p>III. AA: The requirements for acquiring the AA qualification are a university degree, three years of practical experience as a CA, and passing the exams necessary for this level. The exams are given in the following subjects:</p>					

#	Start Date	Actions	Completion Date	Responsibility	Resource
		<ol style="list-style-type: none"> 1. Advanced Management Accounting 2. Advanced Audit 3. Advanced Financial Reporting 4. Advanced Financial Management 5. Strategic Management <p>In regards to examinations, the UAAFWEBH implements the Programme for Acquiring Professional A&A Qualifications in line with national legislation. The AACBH appointed an experts group (comprised of academia and practitioners) tasked to maintain and update the examination system. The UAAFWEBH implements all activities concerning the administration of the exams in FBH. Formal assessment of the competence of the students is based on written examinations.</p> <p>Also, have been signed cooperation contracts with the four (4) biggest state Faculties of Economics in the FBH. Cooperation is established in the field of education and among other it refers to inclusion of skilled experts (members of the Union) into the teaching process of these faculties with the goal to enable better preparation of students for future profession. All of its publications Union gives to the libraries of the abovementioned Faculties of Economics. One of the UAAFWEBH priorities is to promote stronger collaborations and partnerships with the Faculties of Economics and support the implementation of IESs.</p> <p>Recognising market demand for specialised knowledge/competences and skills, as of 2013, we have introduced the qualification Accredited in Business Valuator.</p> <p>Requirements for acquiring the qualification include:</p> <ul style="list-style-type: none"> • University degree (in economics, law, engineering) • Five years of practical experience dealing with economic valuation. <p>The assessment comprises a written test, preparation of a study, and an oral examination.</p> <p>The Union is assisting the candidates by providing training and a relevant literature.</p> <p>Furthermore, we have started revising the syllabus for Accredited in Business Valuators to further improve the competences of our members.</p> <p>Continuous Professional Development (CPD)</p> <p>Continuous professional development, i.e. the programme of life-long learning and continuous development of professional competencies serve a bases for creating competent members of the Union able to provide high-quality services. In line with this, each Union member has an obligation to constantly improve and keep his/her professional competencies up-to-date.</p> <p>All professional accountants are obliged to attend CPD training seminars for duration of 120 hours in a period of three years (which is 40 hours per year). The Union maintains a system which monitors that obligations concerning the CPD are met. Information regarding CPD achievement is organized in an electronic register. For this purpose, the UAAFWEBH has developed a special software application in which all forms of CPD taken by the members of profession are being registered. Also, each member of the Union is obliged to provide evidence that he/she has met the obligations (these are regulated by the Law on Accounting and Auditing in the FBH and by the Regulations on Continuing Professional Development) of at least 40 hours of CPD as a precondition for issuing licenses for the following year.</p> <p>The CPD programme consists of training courses on the following topics:</p> <ol style="list-style-type: none"> 1. Accounting, auditing, finance and other related competences 2. Organizational and business competences, and 			

#	Start Date	Actions	Completion Date	Responsibility	Resource
<p>3. Competences in the field of information technology.</p> <p>Monitoring of CPD program implementation started in April 2013. At the end of 2018, special teams carried out monitoring of 60 different CPD programs.</p> <p>UAAFWFBH works continuously on advancement of competences of its membership through different forms of CPD.</p> <p>In 2018, 72 different forms of CDP were offered to the members. Each CPD also included the relevant learning materials.</p> <p>The UAAFWFBH signed an Agreement with the Tax Authority of the Federation of BH to provide support the staff through CPD training. The Agreement covers also the following:</p> <p>a) Exchange of relevant information and best practice with an aim to improve the quality of services and support provided by the Union members in all sectors and by the Tax Authority employees; and</p> <p>b) Joint promotion of the culture of ethics.</p>					
<i>Publishing IESs and Working to Enhance Compliance of Education Programs with IESs and Raise Awareness about the International Standards</i>					
8.	Q2-2019	Key activities on the development of the Strategic Framework for improving the CPD system in line with IES 7.	Q4-2019	Board CPD Committee	CPD Committee Expert group
9.	Q3-2018	Conducting need assessment focus on the technology aspects of professional qualifications. Participation in the regional technology workshop with education components organised by ICAEW.	Ongoing	Board IPD Committee	IPD Committee Pool of experts
10.	Q3-2019	Activities related to the introduction of a new professional qualification - Tax Advisor.	Q4-2020	Board IPD Committee	IPD Committee
11.	Ongoing	Continue to promote the importance of IESs for the accounting profession through formal communication and publications as well as through inclusion in training and education programs.	Ongoing	Committees	Committee for International and Local Cooperation IPD Committee CPD Committee Staff

#	Start Date	Actions	Completion Date	Responsibility	Resource
12.	Ongoing	Continue cooperation with other relevant bodies in order to raise awareness of the IESs and their application in the profession and academia	Ongoing	IPD Committee	Committee for International and Local Cooperation Committee for Professional Standards and Translation IPD Committee Staff
13.	Ongoing	Stronger collaborations and partnerships with the Faculties of Economics and support in implementation of revised IESs. Faculty of Economics Mostar included IESs in syllabi for Principle of Accounting and Advanced Accounting.	Ongoing	IPD Committee	IPD Committee
14.	Q1-2014	Providing support to the annual meetings of the Accounting and Auditing Departments of the faculties of economics from countries in the region (BH, Croatia, Serbia, Montenegro, Macedonia, Slovenia).	Ongoing	Board	Committee for International and Local Cooperation Staff
15.	Ongoing	Promoting the accounting profession by supporting university students of economics (through participation in student-organised conferences, career days).	Ongoing	Board	Committee for International and Local Cooperation IPD Committee Staff
Maintaining Ongoing Processes					
16.	Ongoing	Provide expert support to the AACBH, in all phases of Curriculum Management with focus on the necessary work – ready skills	Ongoing	IPD Committee	IPD Committee Expert group
17.	Q3-2013	Analysis of the CPDs monitoring reports and making practical recommendations for CPD improvement (quarter system)	Ongoing	CPD Committee	CPD Committee CPD Monitoring Group Staff
18.	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	Board	Committee for International and Local Cooperation

#	Start Date	Actions	Completion Date	Responsibility	Resource
19.	Ongoing	The Union will continue promoting the IPAE activities.	Ongoing	IPD and CPD Committee	Committee for International and Local Cooperation IPD Committee CPD Committee
<i>Review of UAAFWEBH Compliance Information</i>					
20.	Ongoing	Perform periodic review and update of section relevant to SMO 2 as necessary. Once updated inform IFAC.	Ongoing	IPD and CPD Committee	Committee for Professional Standards and Translation CPD Committee IPD Committee Staff

Action Plan Subject: SMO 3–International Standards and other Pronouncements Issued by the IAASB
Action Plan Objective: Translate and publish ISAs, continue promotion of standards through inclusion in certification and education programs.

#	Start Date	Actions	Completion Date	Responsibility	Resource
<p>The Law on Accounting and Auditing of BiH (Article 2), as well as the Law in FBiH (Article 34) state that the auditing standards and principles of the ethics of professional accountants and auditors that are applied across Bosnia and Herzegovina/across the Federation of BiH are:</p> <p>a) International Accounting Standards (ISA); b) Code of Ethics for professional accountants adopted by IFAC. c) related instructions, explanations and guidelines adopted by IFAC.</p> <p>The state-level law (Article 3) stipulates that the AACBH shall translate and publish the standards, related instructions, explanations and guidelines and principles of professional ethics. The AACBH has delegated this authority UAAFWEBH and AAARS (Official Gazette of BiH, 81/06).</p> <p>Article 49 of the Law on Accounting and Auditing of the FBiH stipulates that "The subject of the mandatory audit are financial statements and consolidated financial statements of companies classified under large and medium, as well as financial reports of entities whose securities are traded or undertaken preparations for their issuing on organized securities market".</p> <p>In accordance with IFAC Policy on Translations, the UAAFWEBH published the Handbook of International Quality Control, Auditing, Review, Other Assurance, and Related Services Pronouncements, 2016-2017 Edition in February 2019.. The Handbook is publicly available on the UAAFWEBH web page, on the following link: http://www.srr-fbih.org/međunarodnirevizijiskistandardi-21. In October 2019, we have published the latest Handbook of International Quality Control, Auditing, Review, Other Assurance, and Related Services Pronouncements, 2018 Edition. The Handbooks are publicly available at the UAAFWEBH home page, accessible through the following link: http://www.srr-fbih.org/međunarodnirevizijiskistandardi-21.</p> <p>The translations of the above ISAs and of the Guide to Using ISAs in the Audits of Small-and Medium-Sized Entities, Third Edition (http://www.srrfbih.org/vodi%C4%8Dzakori%C5%A1tenjemrevsurevizijamamss-23) were taken over from CAC.</p> <p>, In order to provide adequate support in the implementation of ISAs, the Union provides relevant CPD programs.</p>					
<i>Activities Concerning Translation, Publication and Application of ISAs by Membership</i>					
21.	Q3-2018	UAAFWEBH will continue collaboration with CAC on translation and publishing of 2018 Handbook of International Quality Control, Auditing, Review, Other Assurance, and Related Services Pronouncements.	Q4-2019	Board	Committee for Professional Standards and Translation
22.	Ongoing	Increasing activities for effective ISAs implementation in practice. in 2019 we delivered practical trainings on the application of: ISA 250, ISA 800, ISA 805, ISA 810.	Ongoing	CPD Committee	CPD Committee CPD Providers

#	Start Date	Actions	Completion Date	Responsibility	Resource
23.	Ongoing	Continuous publication of articles in the professional journals concerning new and amended ISAs.	Ongoing	CPD Committee	Professional journals Experts
24.	Ongoing	Based on cooperation with the Sarajevo University Faculty of Economics, their students are studying the ISAs as part of the first study cycle course "Audit" (75 hours) and the second-cycle course 30 hours. ISAs published by the Union are used as literature for those courses.	Ongoing	IPD Committee	IPD Committee
25.	Ongoing	Continuation and strengthening of cooperation with the universities and academia: joint expert groups, joint advisory group, active involvement of academia in strategic planning, IPD (curriculum management), application of international standards, joint research, individual projects relevant for the profession, providing adequate premises (venues) to organise exams for title acquisition.	Ongoing	Board	Committees
<i>Maintaining Ongoing Processes</i>					
26.	Ongoing	Ensuring high quality CPD options on practical application of ISAs	Ongoing	CPD Committee	CPD Committee CPD Providers
27.	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
28.	Ongoing	Strengthening collaboration with regional PAOs that are Members of IFAC in order to exchange experiences and best practices.	Ongoing	Committees	Committee for Professional Standards and Translation Committee for International and Local Cooperation
29.	Ongoing	The Union closely monitors ISAs modifications and informs its members and other stakeholders through the website and professional journals.	Ongoing	Committee for Professional Standards and Translation	Committee for Professional Standards and Translation Committee for International and Local Cooperation

#	Start Date	Actions	Completion Date	Responsibility	Resource
<i>Review of UAAFWEBH Compliance Information</i>					
30.	Ongoing	Perform periodic review and update of section relevant to SMO 3 as necessary. Once updated inform IFAC.	Ongoing	Committee for International and Local Cooperation	Committee for Professional Standards and Translation Staff

Action Plan Subject: SMO 4–IESBA Code of Ethics for Professional Accountants
Action Plan Objective: Promotion of IESBA Code of Ethics and improvement of professional ethics within membership

#	Start Date	Actions	Completion Date	Responsibility	Resource
Background:					
<p>Articles 1 and 2 of the BiH Law on Accounting and Audit and Article 34 of the FBiH Law on Accounting and Auditing make the application of ethical requirements laid down by the Code of Ethics for Professional Accountants issued by the International Ethics Standards Board for Accountants (IESBA) mandatory for all professional accountants and auditors.</p> <p>A general explanation regarding translation, publishing and application of international professional standards is given in SMO 3.</p> <p>. The new Law on Accounting and Auditing is in legislative procedure and UAAFWEBH has become actively involved in consultative dialogue. One of the priorities in the above process was that IESBA Code of Ethics without modifications remains the legal obligation (supported by MoF), and to better regulate role of POB in the process of overseeing the adoption of professional ethical requirements on a jurisdiction level. In accordance with IFAC Policy on Translations, UAAFWEBH translated and published the IESBA Code of Ethics (2018 version) into Bosnian language. The Code is available at the Union website http://www.srr-fbih.org/File/Download?idFi=2136.</p> <p>UAAFWEBH organises seminars and encourages publication of supporting materials which cover topics from Code of Ethics and its implementation in practice. The Union has already formed a specialised Professional Ethics Committee to address on key aspects of IESBA Code of Ethics and provide member support and communication. This team closely cooperates with QA Committee on developing documents that pertain to compliance with Code of Ethics and continues to work on identifying possible improvements.</p>					
<i>Updating Ethical Requirements by Translating, Adopting and Implementing the of the IESBA Code of Ethics including NOCLAR</i>					
31.	Q3-2018	Translation and publishing Responding of Non-compliance with Laws and Regulations (NOCLAR)	Completed	Committee for Professional Standards and Translation	Committee for Professional Standards and Translation Review Committee Expert group
32.	Q4-2018	Raising awareness of the importance of NOCLAR application. Introducing requirement that professional accountants are obliged to sign the statement that they have read and understood NOCLAR and that they accept to fulfil professional responsibilities	Ongoing	Board	Board Professional Ethics Committee Membership Committee QA Committee Staff
33.	Q4-2018	Ensure that NOCLAR is a part of IPD and CPD programs.	Completed	Board	Board IPD Committee CPD Committee Professional Ethics Committee Staff

#	Start Date	Actions	Completion Date	Responsibility	Resource
34.	Q1-2019	Translation and publishing of the International Code of Ethics for Professional Accountants , 2018 edition.	Completed	Board	Board Professional Ethics Committee Committee for Professional Standards and Translation
35.	Q4-2019	Raising awareness of the importance of applying the revised and restructured International Code of Ethics for Professional Accountants .	Ongoing	Board	Board Professional Ethics Committee Membership Committee QA Committee Staff
36.	Q4-2019	Ensure that International Code of Ethics for Professional Accountants is a part of IPD and CPD programs.	Ongoing	Board	Board IPD Committee CPD Committee Professional Ethics Committee Expert group Staff
<i>Supporting Implementaiton of the Code</i>					
37.	Q1-2019	Improve a mechanism for monitoring the compliance of Union members with the ethical requirements embodied in the IESBA Code of Ethics and NOCLAR. Ensure that any mechanisms developed are considered as part of the Union's overall system of investigation and discipline. Mechanisms should be improved so as to align with the Regulations on disciplinary liability.	Ongoing	Committees	Professional Ethics Committee QA Committee Membership Committee Staff
38.	Ongoing	Strengthen collaboration with regional PAOs that are Members of IFAC in order to exchange experiences and best practices with a view to more efficient application of the Code of Ethics.	Ongoing	Board	Board Professional Ethics Committee Committee for International and Local Cooperation
<i>Maintaining Ongoing Processes</i>					

#	Start Date	Actions	Completion Date	Responsibility	Resource
39.	Ongoing	<p>Ensure that topics related to the Code of Ethics are covered by programs for acquiring professional qualifications, professional publications, supporting materials and faculty syllabi.</p> <p>For example, the Accountancy and Audit master programme of the Sarajevo University Faculty of Economics includes a mandatory course "Professional ethics of accountants and auditors" (30 hours). The IESBA Code of Ethics published by the Union is used as literature for the course.</p> <p>As for the undergraduate studies (first study cycle), the ethics-related topics are studied as part of the courses on Financial accounting and Audit.</p>	Ongoing	IPD and CPD Committees	IPD Committee CPD Committee CPD Performers Professional Ethics Committee Staff
40.	Ongoing	Strengthening communication and exchanging experiences with practical application of the IESBA Code of Ethics through Accountancy Europe (AE) Professional Ethics and Competences Working Party.	Ongoing	Member of Working Party	Expert group
41.	Ongoing	The Union actively monitors amendments to the Code of Ethics for Professional Accountants and informs its members and other stakeholders.	Ongoing	Committee	Committee for Professional Standards and Translation Professional Ethics Committee Staff
<i>Review of UAAFWEBH Compliance Information</i>					
42.	Ongoing	Perform periodic review and update of section relevant to SMO 4 as necessary. Once updated inform IFAC	Ongoing	Professional Ethics Committee	Committee for Professional Standards and Translation Professional Ethics Committee Staff

Action Plan Subject: SMO 5–International Public Sector Accounting Standards and Other Pronouncements Issued by the IPSASB
Action Plan Objective: Promote the importance of IPSASs and support adoption and implementation

#	Start Date	Actions	Completion Date	Responsibility	Resource
<u>Background:</u>					
<p>MoF announced in the Public Finance Management Reform Strategy 2017-2020 (Measure 2) that it plans to adopt and implement IPSAS in the forthcoming period. More information can be found on the following website: : http://www.fmf.gov.ba/v2/userfiles/userfiles/file/2017/Mart2017/FBIH%20PFM%20reform%20strategy%202017%20-%202020.docx.. The similar objective was referred to in 2017-2020 Public Finance Management Reform Strategy in BiH Institutions, which is available at https://mft.gov.ba/srb/images/stories/ministarstvo/registar%20propisa/prijedlozi/Strategija%20reforme%20upravljanja%20javnim%20financijama%20Ou%20institucijama%20Bosne%20i%20Hercegovine%202017-2020.pdf The efforts were made in PFM reforms, in the area of internal control and audit, debt management, treasury operations and external audit. When it comes to reform continuation, it has to be noted that budgetary resources for reform implementation are insufficient and reforms are mostly donor-driven. MoF is advocating continuation of a large scale reforms and harmonised approach across all levels of government. MoF requested support for the beginning of introduction of IPSAS process, and Union's team has become involved in the said processes. When the government adopts decision on introduction of IPSAS, Union is ready to be the partner in an overall reform process, including the translation of IPSAS. The new Law on Accounting and Auditing, which has been in legislative procedure, envisions the implementation of IPSASs in FBH. Currently, 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 October 2019. The second ToT will be delivered in local languages in December 2019 in Sarajevo. Union continue to encourage the need to implement IPSASs and we plan to become involved in the implementation by strengthening the capacities of professionals in public sector through IPD and CPD. Twenty one percent (21%) of Union members are providing their services in the public sector. AACBH has already had consultations with both PAOs in BH and we plan to jointly ask the support from PAOs in Europe, who already have this type of experience. Guided by importance of the above reforms, we have involved the representative of MoF in Public Sector Group Accountancy Europe.</p>					
<i>Supporting Translation of IPSASs in Accordance with IFAC Translation Policies</i>					
43.	Q1-2015	Active participation in government accounting system reforms, promoting their acceptance of IPSASs and continuation of consultative process with MoF in order to get support to continue with the activities concerning their translation.	Ongoing	Board	Board Committee for Professional Standards and Translation Committee for International and Local Cooperation
44.	Q4- 2015	Continuation of communication with PAOs from the region on exchange of experiences related to translation and publication of IPSASs and raising awareness on importance of implementation of IPSASs	Ongoing	Committees	Committee for Professional Standards and Translation Committee for International and Local Cooperation

#	Start Date	Actions	Completion Date	Responsibility	Resource
45.	Q1-2019	Strengthening our own capacities to provide adequate education and technical support to professionals in public sector	Ongoing	Board	IPD Committee Committee for International and Local Cooperation
46.	Ongoing	Ensuring high quality CPD options that follows the reform process	Ongoing		
<i>Maintaining Ongoing Processes</i>					
47.	Ongoing	Promote IPSASs through CPD	Ongoing	CPD Committee	CPD Committee
48.	Ongoing	Promote the role of accounting profession in public sector	Ongoing	Committee for International and Local Cooperation	Committee for International and Local Cooperation
49.	Ongoing	Adopting good practice and experience in implementation of IPSASs through Accountancy Europe Public Sector Group	Ongoing	Member of Working Party	Expert group
50.	Q1-2019	Developing adequate syllabi within IPD which will follow the needs of government accounting system reforms	Ongoing	Board IPD Committee	IPD Committee Expert group
51.	Ongoing	Continue to strengthen collaboration with regional PAOs Members of IFAC in order to exchange experiences and best practices as well as work on common promotion and improvement during the process of implementation of IPSASs.	Ongoing	Board	Board IPD Committee CPD Committee Committee for International and Local Cooperation
<i>Review of UAAFWEBHFBH Compliance Information</i>					
52.	Ongoing	Perform periodic review of UAAFWEBHFBH response to SMO 5 Section of the SMO Action Plan and update the response as necessary.	Ongoing	Committee for Professional Standards and Translation	Committee for Professional Standards and Translation Committee for International and Local Cooperation

Action Plan Subject: SMO 6–Investigation & Discipline
Action Plan Objective: Establish a system for investigation, discipline, and appeals

#	Start Date	Actions	Completion Date	Responsibility	Resource
<p>Background: Based on the article 7 of the Law on Accounting and Audit of Federation BH (Official gazette Federation Bosnia and Herzegovina 83/09), article 20. Paragraph 1, Subparagraph 1, Statute of Union, Board of Directors and the Assembly of the Union have adopted the Book of Regulation on Disciplinary Liability on March 24, 2012. Pursuant to the Article 7, paragraph 2 of the Law on Accounting and Auditing of the Federation of Bosnia and Herzegovina, professional body shall adopt the regulations which define the modalities of the implementation of the Programme and the fees for acquiring the qualifications in accounting profession, professional development of accountants and authorized auditors, continued professional development, quality assurance reviews of its members, and issuance of certificates pertaining to all qualifications in the profession, as well as licences to use professional accounting qualifications.</p> <p>UAAFWEBH investigation, discipline and appeals system is operational and all information are available via the following link: http://srr-fbih.org/File/Download?idFi=53</p> <p>According to the text of the Regulation, it has been developed in accordance with the requirements of SMO 6. In accordance with the Book of Regulation on Disciplinary Liability, breaches of Members' liability can be minor and serious. Member found responsible for offence can be sanctioned as follows:</p> <ul style="list-style-type: none"> • reprimand, • public reprimand, • temporary or permanent withdrawal of license, • termination of membership in the UAAFWEBH. <p>Regulation on Disciplinary Liability treats the matters of disciplinary liability of members, jurisdiction, organization and composition of Appeal Council, process handled by the Appeal Council, disciplinary sanctions, execution of disciplinary sanctions, renewal of the process as well as other issues relevant to the disciplinary process, pursue of liability of the Union member and imposing the sanctions. The UAAFWEBH has appointed the members of the Appeal council and Discipline review body on April 4, 2013.</p> <p>The UAAFWEBH representatives had several meetings with the representatives of the MoF and Financial-Intelligence Agency-FIA (FIA is a government institution in charge, inter alia, of control, processing and publishing financial reports). The UAAFWEBH provides the FIA with detailed databases of certified accountants and authorized auditors on a regular basis, as a step forward to high quality financial information. This information is also made available to MoF and Tax Administration, as well as other competent inspection bodies. The above stated institutions are in process of developing of a single comprehensive registry that will provide authentic data on legal entities and their financial reports to all of its users. The web page of Union has been redesigned and you can find data on all licensed professional accountants at the following link: http://www.srr-fbih.org/Member</p> <p>In addition to providing CPD options for its members, the UAAFWEBH supports organisation of conferences/workshops and other forms of education on AML/CFT and actively participates in the reform processes and donor projects. An example of such project is the EU Twinning project “Support to the Fight against Money Laundering”, which started in 2017 and ended in 2019. The UAAFWEBH representatives disseminated information on AML risks to the project team and provided proposals for developing specific risk indicators. QA committee participated in three</p>					

#	Start Date	Actions	Completion Date	Responsibility	Resource
<p>workshops within the said project, where the experts from Austria and Slovenia shared their experiences and best practices. More information on the project is available at: https://europa.ba/?p=49603</p> <p>One of the results of QA project, described in details in SMO 1, is the new guidelines and instructions regarding implementation of AML/CFT requirements that are simple enough so that our members can implement them and improve the internal control systems. They are available at the following link: http://www.srr-fbih.org/File/Download?idFi=2118</p> <p>It is expected that the amendments of the national AML/CFT legislation will be made in order to make it compliant with the EU and FATF requirements and increase the transparency of the economic and financial system. The UAAFWEBH will continue to assist the national stakeholders in this field.</p> <p>Improvement of the overall I&D system is one of the project objectives which we described in detail under SMO 1 (kindly refer to detailed description under SMO 1) and it will actually be one of the Union's strategic objectives going forward.</p> <p>The POB established in January 2014 will oversee the I&D system on the jurisdiction level, among other functions.</p>					
<i>Interinstitutional Cooperation and Implementation of the System of Investigation and Discipline</i>					
53.	Q2- 2012	Improve interinstitutional cooperation with FIA, MoF, Tax Administration, Banks Association of BH Committee for Anti-money laundering, as well as other regulatory and relevant bodies, depending on their roles, through improvement of their mutual interaction and cooperation in prevention of money laundering.	Ongoing	Board	Board Membership Committee Professional Ethics Committee
54.	Q4-2013	Strengthen communication with other IFAC PAOs in the region in order to exchange lessons learned and experiences concerning the improvement of I&D system. Meetings were held with the representatives of five PAOs from the region and we will continue to work through the regional network.	Ongoing	Board	Board Membership Committee Professional Ethics Committee
55.	Ongoing	Continuation of development of CPD programmes, including educational programmes for accountants and auditors on Anti-money laundering issues. A translation of the FATF (Financial Action Task Force) document is updated on a regular basis and provided on every educational programme. A standards for fight against money laundering and financing of the terrorism are the FATF Recommendations, Typology of money laundering (both documents published on annual basis), as well as Recommendations of the Basel Committee on Banking Supervision and other materials.	Ongoing	Committees CPD Performers	CPD Committee Membership Committee CPD Performers Staff

#	Start Date	Actions	Completion Date	Responsibility	Resource
56.	Ongoing	Continue cooperation with regional PAOs that are Members of IFAC in order to facilitate an up to date exchange regarding the best practices concerning field of investigation and discipline.	Ongoing	Board	Board Committee for International and Local Cooperation Staff
57.	Q2-2012	Investigation and disciplinary procedures have been carried out by competent bodies.	Ongoing	Appeal council Discipline review body Membership Committee	Appeal council Discipline review body Membership Committee
<i>Maintaining Ongoing Processes</i>					
58.	Q1-2019	Conduct a general review of I&D system to ensure it is operating effectively	Ongoing	Board	QA Committee Staff
59.	Ongoing	Constantly informing members about their obligations and responsibilities as well as the rules and procedures, offensive activities and applicable sanctions, through CPD programmes and professional publications.	Ongoing	Board	Board CPD Committee Membership Committee Staff
<i>Review of UAAFWEBH Compliance Information</i>					
60.	Ongoing	Perform periodic review and update of section relevant to SMO 6 as necessary. Once updated inform IFAC.	Ongoing	Membership Committee	Membership Committee

Self-assessment against Main Requirements of SMO 6 (2019)

Requirements	Y	N	Partially	Comments
Scope of the system				
1. A system of investigation, discipline and appeals exists for the accountancy profession. The system is operational.	X			In 2012, the Union adopted the Book of Regulation on Disciplinary Liability.
2. Information about the types of misconduct which may bring about investigative actions is publicly available.	X			Book of Regulation on Disciplinary Liability has been made available at the web page of the Union.
Initiation of Proceedings				
3. Both a “complaints-based” and an “information-based” approach are adopted.	X			Both approaches were adopted. In our practice, complaints-based approach is currently more represented.
4. Link with the results of QA reviews has been established.			X	In 2019, we started a two-year pilot implementation of QA for practitioners.
Investigative process				
5. A committee or similar body exists for performing investigations.	X			Investigative body is operational.
6. Members of a committee are independent of the subject of the investigation and other related parties.	X			When developing investigation and discipline system, we deemed that separation of functions is one of the key principles. Depending on what is the subject of the investigation, pool of experts in all fields is available to the Union throughout the investigation process.

Requirements	Y	N	Partially	Comments
Disciplinary process				
7. A separate disciplinary committee/entity exists to make disciplinary decisions on referrals from the investigation committee.	X			The committee/entity which makes disciplinary decisions is operational.
8. Members of the committee/entity include professional accountants as well as non-accountants.	X			The committee/entity is comprised of professional accountants as well as non-accountants, including the senior lawyer.
9. The tribunal exhibits independence of the subject of the investigation and other related parties.	X			When developing investigation and discipline system, we deemed that separation of functions is one of the key principles.
Sanctions				
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			Disciplinary system is established in line with the legal power, thus the following sanctions may be pronounced: <ul style="list-style-type: none"> – Warning, – Public reprimand, – Suspension of licence or permanent revocation of licence, – Termination of membership in the Union.
Rights of representation and appeal				
11. A third appeals body exists which is separate from both the disciplinary committee and investigative committee.	X			Book of Regulation envisions the third appeals body.
Administrative Processes				
12. Timeframe targets for disposal of all cases are set.	X			The clear timeframes are set in all cases.

Requirements	Y	N	Partially	Comments
13. Tracking mechanisms to monitor progress in investigation and discipline and related procedures are established.	X			Mechanisms of full records of investigations and disciplinary procedures are established.
14. Records of investigations and disciplinary processes are established.	X			Professional bodies are responsible for this activity.
Public Interest Considerations				
15. Activities are supported to ensure that the public is aware that an investigative and disciplinary system exists in the jurisdiction.	X			Our perception of this process is that it has been launched solely to protect public interest and profession.
16. A process for the independent review of complaints on which there was no follow-up is established.	X			The process for the independent review of complaints is established and being implemented.
17. The results of the investigative and disciplinary proceedings are made available to the public.	X			Preparation of annual information on the results of the investigative and disciplinary proceedings is underway.
Liaison with Outside Bodies				
18. There is an appropriate process for liaison with outside bodies on possible involvement in serious crimes and offences.	X			Process of coordinating and ensuring the relevant information has been considerably improved.
Regular review of implementation and effectiveness				
19. Regular review of implementation and effectiveness of the system are performed and corrective actions are implemented.			X	Regular reviews of proper implementation and effectiveness of the system are implemented. We have identified necessity to improve effectiveness of above system. QA Committee has started developing recommendations for redesign of the existing I&D system.

Action Plan Subject: SMO 7–International Financial Reporting Standards and Other Pronouncements issued by the IASB
Action Plan Objective: Continue efforts to enhance the quality of financial reporting under IFRSs

#	Start Date	Actions	Completion Date	Responsibility	Resource
<p>Background: National legislation (articles 1 and 2 of the BiH Law on Accounting and Auditing and article 33 of the FBH Law on Accounting and Auditing) requires the application of the IFRSs as issued by the IASB for all legal entities. The state-level law (Article 3) stipulates that the AACBH shall translate and publish all international professional standards. The AACBH has delegated this authority to UAAFWEBH and AAARS (Official Gazette of BiH, 81/06). The standards have been translated and published by the UAAFWEBH without any modifications.</p> <p>Pursuant to the Agreement signed with the IFRS Foundation, in February 2017, the Union published the main text of the IFRSs, including the IASs issued by the IASB and subsequently published by the IFRS Foundation, as well as the Conceptual Framework for Financial Reporting and the interpretations issued by the IFRS Interpretations Committee or its predecessors the International Financial Reporting Interpretations Committee and the Standing Interpretations Committee. Specifically, this pertains to the standards originally published in the IFRS Foundation's Blue Book (2016), Part A, including the 2016 amendments.</p> <p>In 2017, we have also published the:</p> <ul style="list-style-type: none"> – IFRS 9 – <i>Financial instruments</i>; – IFRS 15 – <i>Revenue from Contracts with Customers</i>; – Clarifications of IFRS 15; and – IFRS 16 – <i>Leases</i>. <p>The UAAFWEBH has an established process in the sense that it translates and publishes all the latest standards issued by the IASB and the standards are applied as of the dates indicated in them without any time gaps.</p> <p>All aforementioned standards are available on the Union web site http://www.srr-fbih.org/msfirms-14</p> <p>The latest version of the IFRS for SMEs (including the amendments applied as of January 1, 2017) had also been published in 2016. http://www.srr-fbih.org/msfizamss-13</p> <p>Since the beginning of 2013, all legal entities from the SMEs category may choose to apply either full IFRSs or IFRS for SMEs.</p> <p>Different forms of education concerning IFRS for SMEs covering the issues in details and focusing on the practical application of the standards are being held since 2012.</p>					
<p><i>Monitoring IFRS for Any Changes and Ensuring Timely Translation and Publication</i></p>					
61.	Q2-2018	Expanding and updating the IFRS Terminology List	Completed	Committee for Professional Standards and Translation	Committee for Professional Standards and Translation Review Committee

#	Start Date	Actions	Completion Date	Responsibility	Resource
62.	Q3-2018	Translation and publishing of: <ul style="list-style-type: none"> Amendments to: IAS 40, IAS 28., IAS 19, IFRS 9 and Annual Improvements IFRIC 22 – <i>Foreign Currency Transactions and Advance Consideration</i> IFRIC 23 – <i>Uncertainty over Income Tax Treatments</i> 	Completed	Committee for Professional Standards and Translation	Committee for Professional Standards and Translation Review Committee
63.	Q3-2018	Preparing consolidated IFRSs and IASs texts reflecting the publication of new IFRS 9, IFRS 15, IFRS 16 and other amendments.	Completed	Committee for Professional Standards and Translation	Committee for Professional Standards and Translation Review Committee
64.	Q4-2018	Publishing the plans for translation and implementation of IFRSs/standards on the Union web site.	Ongoing	Committee for Professional Standards and Translation	Committee for Professional Standards and Translation Staff
65.	Q1-2019	Translation and publishing of IFRS 17 – <i>Insurance Contracts</i>	Q1-2020	Committee for Professional Standards and Translation	Committee for Professional Standards and Translation Review Committee
66.	Q1-2020	Consultative meetings with the FBH Association of Insurance Companies related to application of IFRS 17.	03-2020	Board	Committee for Professional Standards and Translation Committee for International and Local Cooperation
67.	Ongoing	Timely translation and publishing of new and of amendments standards.	Ongoing	Committee for Professional Standards and Translation	Committee for Professional Standards and Translation Review Committee
<i>Supporting Implementation of IFRSs</i>					
68.	Ongoing	Ensuring high quality CPD options on practical application of IAS/IFRS	Ongoing	CPD Committee	CPD Performers CPD Committee
<i>Maintaining Ongoing Processes</i>					
69.	Ongoing	Continue dialogue and joint efforts to promote IFRSs in cooperation with the Faculties of Economics of the universities in FBH to ensure that students are aware	Ongoing	IPD Committee	IPD Committee

#	Start Date	Actions	Completion Date	Responsibility	Resource
		of the importance of IFRSs, the components of IFRSs and any recent changes to the standards. For example, at the Sarajevo University Faculty of Economics, the IFRS are studied as part of the first study cycle course Financial Accounting and the second-cycle course Financial Accounting and Reporting. At the Mostar University Faculty of Economics, the IFRS are studied as part of the courses Financial Accounting and Advanced Financial Reporting.			
70.	Ongoing	Strengthening collaboration with regional PAOs that are Members of IFAC in order to exchange experiences and best practices, as well as to jointly promote and improve the implementation of IFRS and IFRS for SMEs.	Ongoing	Committee for International and Local Cooperation	Committee for International and Local Cooperation
<i>Review of UAAFWFBH Compliance Information</i>					
71.	Ongoing	Perform periodic review and update of section relevant to SMO 7 as necessary. Once updated inform IFAC.	Ongoing	Committee for Professional Standards and Translation	Committee for Professional Standards and Translation



SAVEZ RAČUNOVOĐA, REVIZORA I FINANSIJSKIH RADNIKA FBiH
SAVEZ RAČUNOVOĐA, REVIZORA I FINANSIJSKIH DJELATNIKA FBiH

UNION OF ACCOUNTANTS, AUDITORS AND FINANCIAL WORKERS OF THE FEDERATION
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December 6, 2019

Ms. Maria Chuvashva
Senior Technical Manager, Quality & Development
International Federation of Accountants (IFAC)
529 5th Avenue
New York, New York 10017 USA
MariaChuvashva@ifac.org

Dear Ms. Chuvashva,

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

This letter is to confirm that the leadership of the Union of Accountants, Auditors and Financial Workers of Federation of Bosnia and Herzegovina (UAAFWEBH) has reviewed the information contained in the SMO Action Plan prepared by UAAFWEBH as part of the IFAC Member Compliance Program and will provide institutional support for its implementation.

On behalf of the leadership of the UAAFWEBH, 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,

Augustin Mišić, Vice-President



Union of Accountants, Auditors and Financial Workers of Federation of Bosnia and Herzegovina