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Name: Adrian Popescu

Title: President

Company: Chamber of Financial Auditors of Romania

Address: 67 – 69 Sirenelor Str., District no. 5, 050855, Bucharest , Romania

Email: international@cafr.ro,

cafr@cafr.ro

Attestation of Ongoing SMO Compliance

IFAC Statements of Membership Obligations (SMOs) require IFAC Members and Associates to support the adoption and implementation 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.

The **Chamber of Financial Auditors of Romania** has developed an Action Plan to demonstrate how it fulfills the requirements of the SMOs (revised in 2017). We have reviewed the information contained within the SMO Action Plan and affirm that the **Chamber of Financial Auditors of Romania** continues to undertake these and other relevant actions to maintain ongoing compliance and fulfillment of the membership obligations.

On behalf of the leadership of the **Chamber of Financial Auditors of Romania**, I endorse the 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.

Adrian Popescu,

President

Chamber of Financial Auditors of Romania
06.09.2021

Signature



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:	The Chamber of Financial Auditors of Romania (CFAR)
Approved by Governing Body:	CFAR Council
Original Publish Date:	July 2008
Last Update:	September 2021
Next Update:	September 2024

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

ACCA	Association of Certified Chartered Accountants
ASPAAS	Authority for Public Oversight of the Statutory Audit Activity
CECCAR	the Body of Expert and Licensed Accountants of Romania
CFAR	Chamber of Financial Auditors of Romania
CCRF	Council for Accountancy and Financial Reporting
CPD	Continuous Professional Development
DACET	Department for Admission, Continuous Education and Trainees
CEJI	Department for Ethics, Legal and Investigations
CMCCP	Department for Monitoring, Control, Professional Competence and Research
DMCIR	Department of Marketing, Communication and International Relations
DRIS	Department of Internal Relations and Secretariat
DSM	Department of Services for Members
DACFR	Department for Accounting and Financial Reporting
EC	European Commission
EU	European Union
AccEu	Accountancy Europe
EUROSTAT	Statistical Office of the European Communities
IAASB	International Auditing and Assurance Standards Board
IAESB	International Accounting Education Standards Board
IAS	International Accounting Standards
ICAEW	Institute of Chartered Accountants in England and Wales
ICAS	Institute of Chartered Accountants of Scotland
IESs	International Education Standards
IESBA	International Ethics Standards Board for Accountants
IFRS	International Financial Reporting Standards
IPSAS	International Public Sector Accounting Standards
ISA	International Standards on Auditing
MoU	Memorandum of Understanding
PIIRO	Public, Internal and International Relations Office
PIOB	Public Interest Oversight Board
QA	Quality Assurance
QC	Quality Control
SIC-IFRIC	Standing Interpretations Committee (SIC) Interpretations originated from the International Financial Reporting Interpretations Committee
SMO	Statement on Membership Obligation

Action Plan Subject: SMO 1–Quality Assurance
Action Plan Objective: Continue the sustained endeavors

Background:

In Romania, following the adoption of Law 162/2017, the Statutory Audit Public Oversight Authority (ASPAAS) is the competent authority to perform quality assurance reviews of PIE audits and other non-PIE statutory audits. The Chamber of Financial Auditors received delegation by law to perform quality assurance reviews for non-PIE statutory audits only for one year, since 2017 to July 2018, but since then, the Chamber performs reviews of financial auditors who have contracted financial non-statutory audits and other types of engagements, for example internal audit, agreed-upon procedures, other assurance engagements.

The Chamber of Financial Auditors of Romania, under the Public Oversight of the Oversight Board, is the competent authority for performing Quality Assurance (QA) reviews over the services provided by financial auditors. The organization and operation of the quality assurance system of the auditing activity and other activities of auditors, CFAR members were regulated by the CFAR Council Resolution no. 18/10 March 2016 published in the Official Journal of Romania, Part I, no. 538/18 July 2016).

All financial auditors, members of the Chamber, individuals and audit firms, are included in a QA system, organized in accordance with the provisions of GEO no. 75/1999 on the financial audit activity, with the subsequent changes and amendments and of Law 162/2017 on the statutory audit of annual financial statements and annual consolidated financial statements, with the subsequent changes and amendments, as an independent system, being performed by the Department for Monitoring, Control, Professional Competence and Research within the Chamber (DMCPC).

The Department for Monitoring and Professional Competence is organized as an independent system performing the reviews of financial non-statutory audit activity and other related activities, provided by the financial auditors, members of the Chamber, individuals and audit firms.

Thus, the Chamber of Financial Auditors of Romania has the responsibility to implement SMO 1, by means of its Department for Monitoring, Control, Professional Competence and Research.

In 2006-2021, CMCCP deployed its best efforts in the field of regulations, trying to align the national legislation to the international regulations in the audit field.

In the period 2010-2013, the quality control rules of the financial audit and related services have been revised to align with the provisions of SMO 1 and the new provisions of Directive 43/2006 / EC, implemented in the Romanian legislation by GEO no 90/2008 and the European Commission (EC) recommendation on external quality assurance for statutory auditors and audit firms that audit public interest entities from May 6, 2008.

In 2016, the rules on quality review work undertaken by CFAR members were updated to align with the new requirements imposed by EU legislation on auditing and the amendments entered into force on 18 July 2016. Thus, for the public interest entities the QA should be provided by the oversight authority designated by the Romanian state.

In 2020, the Chamber's board adopted the most recent Decision no.65/2020 regarding the performance of quality control reviews for other than statutory

audits and other types of engagements contracted by financial auditors, members of the Chamber. This Decision details the organization of the quality control system, in accordance with SMO 1 requirements and ISAs.					
All clarified standards have been adopted in Romania and are mandatory for all CFAR members (including ISQC 1 and ISA 220). CFAR QA system is in line with SMO 1 requirements.					
#	Start Date	Actions	Completion Date	Responsibility	Resource
<i>Update of Quality Assurance Review System</i>					
1.	1 July 2008	<p>Bring the provisions of the CFAR norms in line with the new provisions of the European Union (EU) Directive 43/2006/EC, implemented in the Romanian legislation (Romanian Government Emergency Ordinance 90/2008 regarding the Statutory Audit of Annual Financial Statements and Consolidated Financial Statements).</p> <p>On March 24, 2009, by Decision 139/24 March 2009 the Norms on quality control of the financial audit activity and related services have been reviewed in view of aligning them to the new provisions of the 2006/43 European Directive, implemented in the Romanian legislation by the GEO no. 90/2008 and of the EC Recommendation on external quality assurance for statutory auditors and audit firms auditing public interest entities of May 2008.</p> <p>On June 23, 2009, Decision no. 143 has been approved, regarding 3 new procedures on quality inspection, for certain specific provisions of the GEO no. 90/2008 and of the Decision 139/2009, as well as Decision no. 146 on the approval of the Inspection Note format, which respects the provisions of GEO no. 90/2008.</p> <p>Decision no. 168/25.08.2010 approved the Norms on the quality review of financial audit activity and other activities conducted by financial auditors.</p> <p>Decision no. 49/12.12.2013 modified the Norms on the quality review of financial audit activity and other activities conducted by financial auditors.</p> <p>Decision no. 18/10.03.2016 approved the new Norms on the quality review of financial audit activity and other activities conducted by financial auditors.</p> <p>Decision no. 65/2020 approved the Norms on quality control reviews of other than statutory audits and other engagements conducted by financial auditors.</p>	July 2009 Completed	CFAR Council	CFAR Executive Staff

2.	March 2009	Approval of the Norms on quality control of the financial audit activity and related services. The Norms on the quality review of other than statutory audit activity and other engagements conducted by financial auditors have been updated, and the new form has been approved by the CFAR Council by Decision 65/29.05.2020 and their provisions became mandatory on 10 July 2020.	July 2020 Completed	CFAR Council and Permanent Bureau	Department for Monitoring, Control, Professional Competence and Research, CFAR Executive Staff
3.	2012	Open a CFAR representative office in Cluj-Napoca, in charge of the operations in the North-Western part of the country.	February 2014 Completed	CFAR Council	DSM, CEJI, DACRF, DACET
4.	2014	Opened a CFAR representative office in Timisoara, in charge of operations in the Western part of the country.	June 2015 Completed	CFAR Council	DSM, CEJI, DACRF, DACET
5.	2014-2018	CFAR opened three other offices in Iasi, Brasov and Constanta, in charge with operations in the North-Eastern, Center and South-Eastern regions of Romania	2018 Completed	CFAR Council	DSM, CEJI, DACRF, DACET
6.	2 nd Quarter	Update the norms on quality review. In 2013 norms on quality review were updated, and approved by Decision no. 49 / 12.12.2013. In the course of 2016, new Norms on quality review of the financial audit activity and related services have been modified and approved by CFAR Council Decision no. 18/10 March 2016, entering into force on July 18, 2016. In 2020, The Norms on the quality review of other than statutory audit activity and other engagements conducted by financial auditors have been updated, and the new form has been approved by the CFAR Council by Decision no. 65/29.05.2020 and their provisions became mandatory on 10 July 2020.	July 2020 Completed	CMCCP	CMCCP
7.	4 th Quarter	Update of the Norms on quality review of other than statutory audit activity and other engagements by establishing detailed procedures for performing quality inspections - applicable since July 2020.	July 2020 Ongoing	CFAR Council	CFAR Executive staff, CMCCP, CSIPPC
8.	December 2013	Updating the criteria for monitoring of financial auditors that have obtained marks with a score lower than 85 points (B, C and D). The update of the monitoring criteria was made permanent with every form of the norms on quality review of the financial audit activity.	July 2020 Completed	CFAR Council	CFAR Executive staff, CMCCP
9.	1 st semester	Updating and publishing the IAASB (edition 2015) translated into	December	Executive	DMCIR, CMCCP

	2016	Romanian and aligning the Quality Assurance and Quality Control Procedures accordingly. CFAR has completed the translation of the 2015 edition of the Handbook issued by IAASB, applicable for audits of financial statements for financial years ending after December 15, 2016. (Decision 115 / 20.12.2016) as well as Decision 114/20.12.2016 for the adoption of the Code of Ethics for professional accountants issued by IESBA. Both have been published. With the adoption of Law no. 162/2017, the authority responsible for the translation and publication of ISAs is no longer the Chamber, but ASPAAS, the Oversight Body.	2016	management, CFAR Council	
10.	May 2016	CFAR has started a new working committee for aspects regarding the audit activity and the application of the ISA's and during the meetings there have been several discussions on the changes to the ISA's that are communicated to all CFAR members. The working groups for audit activity issues raised by financial auditors have an ongoing activity for the benefit of the members of the Chamber.	January 2016 Ongoing		CMCCP, DMCIR, CFAR Council
<i>Maintaining Ongoing Processes</i>					
11.	Ongoing	Publish news on updates of the provisions, on the Chamber's website and in the CFAR magazine.	Ongoing	CFAR Senior Executive Staff	Executive Staff
12.	Ongoing	Maintaining the CFAR membership within Accountancy Europe by actions and developments in the support of the profession.	Ongoing	CFAR Council	Executive staff
13.	Ongoing	CMCCP communicates to CFAR members, by means of its own communication channels (CFAR magazine, website, CPD training courses), the changes that occurred on the level of conduct of inspections, as well as on how they will be carried out.	Ongoing	DMPC	CMCCP, CFAR Council
<i>Review of CFAR's Compliance Information</i>					
14.	Ongoing	Perform periodic review and update sections relevant to SMO 1 as necessary.	Ongoing	CFAR Senior Executive Staff	CMCCP, DMCIR, CFAR Executive Staff

Main Requirements of SMO 1

Requirements	CFAR Procedures Yes No Partially	Comments
Scope of the system 1. At a minimum, mandatory QA reviews are required for all audits of financial statements.	Y	CFAR will liaise with ASPAAS to obtain answers regarding implementation of SMO 1 requirements.
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.	Y	
3. Most up to date versions of ISQC 1 and other relevant ISAs are adopted as the quality control standards.	Y	
4. Member Body assists firms in understanding the objectives of quality control and in implementing and maintaining appropriate systems of quality control.	Y	
Review cycle 5. A cycle-based, risk-based, or a mixed approach for selecting firms for QA review is used.	Y	
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).	Y	
QA Review Team 7. Independence of the QA Team is assessed and documented.	Y	
8. QA Team possesses appropriate levels of expertise.	Y	
Reporting 9. Documentation of evidence supporting the quality control review report is required.	Y	
10. A written report is issued upon conclusion of the QA review and provided to the firm/partner reviewed.	Y	

<p>Corrective and disciplinary actions</p> <p>11. Reviewed firms/partners are required to make timely adjustments to meet recommendations from the review report.</p>	Y	
<p>12. QA review system is linked to the Investigation and Discipline system.</p>	Y	
<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>	Y	
<p>Regular review of implementation and effectiveness</p> <p>14. Regular reviews of implementation and effectiveness of the system are performed.</p>	Y	

Action Plan Subject: SMO 2–International Education Standards for Professional Accountants and Other Pronouncements issued by the IAESB
Action Plan Objective: Use Best Endeavors to Ensure that the IES Requirements are Comprised by the CFAR’s Education Requirements

Background:

According to the GEO no. 75/1999, the Chamber of Financial Auditors of Romania is the professional body organizing and monitoring the continuous professional development program of its members carrying out financial audit activities, other than statutory audits.

By the Law 162/2017 the Authority for the Public Oversight of the Statutory Audit Activity (ASPAAS) was established, as the competent authority in the field of public interest oversight of statutory audit in Romania.

ASPAAS is a public institution, in charge of public oversight, in accordance with the principles of the 2006/43/EC Directive, ensuring the application, implementation and monitoring of the legal acts issued at EU level, transposed in the national legislation and directly applicable in the fields stipulated by the 162/2017 law. More precisely, ASPAAS is the competent authority with final responsibility for the following activities:

- Establishing the requirements for the access to practical training in financial audit (i.e. issuing the norms for the organization of the test for access to practical training), organizing and monitoring the practical training in financial audit, as well as the training of trainees in financial audit,
- Issuing the norms establishing the organization of the professional training exam, at the end of practical training,
- The continuous professional development of financial auditors carrying out statutory audit activities.

ASPAAS can delegate the activities above to the professional body – CFAR, under its oversight and control, based on the relevant norms issued by the public oversight authority.

In 2020, ASPAAS delegated to CFAR, by orders of the ASPAAS President, published in the Official Journal of Romania the following activities, for a period of 1 (one year) with the possibility of renewal:

- The organization of the professional competence exam (Order of the ASPAAS President no. 425/ 02 December 2020) and
- The organization of the continuous professional development programs for Romanian financial auditors (Order of the ASPAAS President no. 426/ 02 December 2020).

In 2021, ASPAAS delegated to CFAR, for a period of 1 (one year) with the possibility of renewal, by order of the ASPAAS President, published in the Official Journal of Romania the organization of the test for access to practical training (Order of the ASPAAS President no. 94/ 22 March 2021)

The International Education Standards (IESs) are analyzed by the Department for Admission, Continuous Education and Trainees (DAPET) within the Chamber, in the organization and monitoring of the CPD of its members, by issuing CPD norms and by updating the legislation involving requirements stipulated by these Standards (Norms on professional development).

Main provisions in the IES 7 were acknowledged and included in the CFAR norms.

Key provisions of IES 1-8 and how they relate to the education of Romanian financial auditors:

- In terms of IES 1 (entry requirements), ASPAAS is the competent authority. This was transposed in the ASPAAS norms for organizing the test of access to practical training, stating that in order to apply to become financial auditor in Romania, one has to graduate an university or a similar level. ASPAAS norms on organizing the test of access to practical training are to be observed by CFAR during the delegation period, when our professional body is entitled to organize this test.
- In terms of IES 2 (initial professional development- technical competence), ASPAAS is the competent authority. It is also covered by the CFAR Council decision establishing the basic elements of the CPD program implemented by the Chamber for its members.
- In terms of IES 3 (initial professional development- professional skills), ASPAAS is the competent authority. It is implemented by the exams and professional development organized by CFAR, under the oversight of the public oversight authority. CFAR tries to make sure that the future financial auditor acquires all the skills needed to qualify him/her as a good professional.
- In terms of IES 4 (initial professional development- professional values, ethics and attitudes), ASPAAS is the competent authority. It was implemented by the adoption of the IESBA Code of Ethics. Annually, elements from the Code of Ethics are included in the CFAR CPD program.
- In terms of IES 5 (initial professional development- practical experience), ASPAAS is the competent authority, since it organized the practical training of CFAR trainees in financial audit. The practical training in financial audit in Romania, organized and monitored by ASPAAS, includes two components, namely the trainees' theoretical training and the practical training.
- In terms of IES 6 (initial professional development - assessment of professional competence), ASPAAS is the competent authority. It was implemented by ASPAAS norms on the organization of a competence exam at the end of the practical training. After graduating this exam, a trainee obtains the financial auditor quality. This is a very rigorous written exam, comprising two parts: a theoretical test and a practical test. CFAR observes the ASPAAS norms on the organization of the competence exam, when delegated this activity under ASPAAS oversight.
- In terms of IES 7 (continuing professional development), it was implemented by the CFAR Council decision on the financial auditors' CPD program-related to financial audit activities, other than statutory audit. This was also implemented by the CPD norms issued by ASPAAS on the financial auditors' CPD program – related to statutory audit. When the Chamber is delegated by the competent authority to organize the CPD program of Romanian financial auditors, it takes into account ASPAAS norms in this field.
- IES 8 (professional competence for engagement partners responsible for audits of financial statements) refers to the competence requirements for audit professionals and was implemented by ASPAAS and CFAR CPD norms.

IES standards revisions have been taken into account in Romanian legislation, both in the norms issued by CAFR, as well as (to the best of our knowledge) in the norms issued by the public oversight authority

#	Start Date	Actions	Completion Date	Responsibility	Resource
<i>Update of Quality Assurance Review System</i>					
15.	February 2011	Reorganizing the CFAR website, which comprises information available both in Romanian and English regarding CFAR departments, activity and procedures.	March 2011 Completed	CFAR Council	DSM, CEJI, DMCIR, Administrative Department, DACFR, DAPET,

					DMCPC
16.	Ongoing	Constantly updating the CFARCFAR website: www.CFAR.ro on activities and procedures developed for CFAR members.	Ongoing	CFAR Council Executive Staff	DAPET
17.	22 December 2011	<p>Signing an Agreement with ACCA on professional recognition, that has been implemented.</p> <p>As a result of signing this Agreement, 2 Decisions were developed, that received approval of the Council for Public Interest Oversight (CSIPPC).</p> <ul style="list-style-type: none"> – Decision no. 206/2011 on approval of the Procedures for internship registration for persons that have obtained an ACCA graduation diploma that have not conducted statutory audit. – Decision no. 211/2011 on the adoption of the Procedures for internship registration organized by the Chamber of Financial Auditors of Romania of students of the Association of Chartered Certified Accountants that have graduated a part of the exams organized by ACCA, that have not yet become full members. <p>Addendum no. 2 to the Protocol between CFAR and ACCA on professional training (2014). The Memorandum of Understanding between ACCA and CFAR from 11.04.2008 providing for mutual cooperation in regards to professional training is extended indefinitely.</p>	Ongoing	CFAR Senior Executive Staff	DAPET, CEJI
18.	March 2014	Translation for internal use of the International Standards for education and consultation thereof by DAPCS to take note of the latest changes in the field, on the professional competence requirements for auditors.	January 2017 (latest version) Ongoing	CFAR Senior Executive Staff	DMCIR, DAPET
19.	May 2014	Amending the Norms on professional training of auditors and trainees in the financial audit activity, as a result of knowledge accumulated during the courses in the past 3 years, within the 2 systems: classic and e-learning.	December 2014 Completed	CFAR Council and Permanent Bureau	DAPET
20.	November 2015	Developing the Professional training program for 2016, in accordance with CFAR Council Decision no. 263/12 December 2011. As of 2012, the professional training courses for auditors and trainees were held directly by CFAR. The professional training courses were conducted in 2 ways: classic system and e-learning system and CFAR members have the right to opt in regards to the practical training system in which they want to take part.	December 2015 Completed	CFAR Council	DAPET

21.	March 2016	Implementation of the e-learning platform on the CFAR web site.	December 2016 Completed	CFAR Council	DAPET
22.	November 2016	Developing the Professional training program for 2017, in accordance with CFAR Council Decision no. 263/12 December 2011. As of 2012, the professional training courses for auditors and trainees were held directly by CFAR.	December 2016 Approved Organization in implementation	CFAR Council	DAPET
23.	December 2016	Evaluation of the professional training program for 2016.	December 2016 Completed	CFAR Council and Standing Bureau	DAPET
24.	July 2017	<p>Publication of the Law 162 on the statutory audit of annual financial statements and annual consolidated financial statements, amending certain legal acts (this law stipulates the establishment of the Authority for the Public Oversight of the Statutory Audit Activity (ASPAAS) and its responsibilities</p> <p>When this law entered into force, CFAR was delegated to continue carrying out activities in the field of education, under ASPAAS oversight and control, for a period of one year.</p> <p>The activities delegated to the Chamber, according to this law comprised:</p> <ul style="list-style-type: none"> - Organization of the test of access to practical training, - Organization and monitoring of the practical training of financial audit trainees, - Organization of the professional competence exam (at the end of the practical training), - Organization of the CPD program of Romanian financial auditors. <p>All activities delegated to the Chamber continued to be carried out based on the Chamber's existing norms and regulations.</p> <p>As per the law 162/2017, in July 2018, the Chamber ceased to carry out the delegated activities above, which were taken over the Romanian public oversight authority.</p>	July 2018 Completed	CFAR Council and Standing Bureau	DAPET, CEJI
25.	December 2018	<p>The <i>Continuous Professional Development Norms for financial auditors, in line with Government Emergency Ordinance no.75/1999 on financial audit</i> were approved by CFAR Council decision.</p> <p>These CPD Norms are still in force and their English version is</p>	December 2018 Completed	CFAR Council	DAPET, CEJI

		available here: https://www.CFAR.ro/en/wp-content/uploads/2019/09/CFAR-CPD-Norms_EN.pdf			
26.	Ongoing	<p>Establish the annual CPD curriculum based on the following:</p> <ul style="list-style-type: none"> – Latest legal or professional standards amendments, within the field; – Proposals received from course attendants during the previous CPD program; – Proposals received from the Department for Monitoring, Control and Professional Competence, following the issues noticed during inspections; – Proposals received from Council members; – Requirements or fields of activity recommended by international bodies where the Chamber is a member, for inclusion in the professional training program. 	Ongoing	CFAR Senior Executive Staff	DAPET
27.	Ongoing	Implementation of the International Education Standards issued by the International Accounting Education Standards Board (IAESB), in the training and Continuous Professional Development programs.	Ongoing	CFAR Senior Executive Staff	DAPET
<i>Improving the Education and Continuous Professional Development (CPD) Activities Undertaken by the CFAR</i>					
28.	Ongoing	Requesting assistance from external consultants on issues of education on the revision of the CFAR education program.	21 February 2014 Completed	DAPET	DAPET
29.	2014	Opened a CFAR branch in Cluj, to serve the North-West area of Romania. By opening a regional branch, we will ensure the involvement in admission, continuous training and trainees for the referenced area.	2014 Completed	CFAR Council	DSM, CEJI, Administrative Office, DIRS, DACFR, DAPET
30.	December 2014	Implementing an automatic record centralization system for unstructured training for financial auditors	December 2015 In progress	CFAR Senior Executive Staff	DAPET
31.	2015	Opened a CFAR branch in Timisoara, to serve the West area of Romania. By opening a regional branch, we will ensure the involvement in admission, continuous training, and trainees for the referenced area.	June 2015 Completed	CFAR Council	DSM, CEJI, Administrative Office, DIRS, DACFR, DAPET
32.	2016	Organizing an outstanding course for the year 2015 for the auditors who could not attend the training program for the year 2015.	2016	CFAR Council	DAPET

33.	2017	Opening of a regional branch in Constanta, to serve the Eastern and South-Eastern part of Romanian, thus increasing the CPD activities and dialogue with members in the region	2018	CFAR Council	DSM, CEJI, Administrative Office, DIRS, DACFR, DAPET
34.	2014	CFAR became associate member of the Common Content Project (http://commoncontent.com/), which aims to further develop, maintain and unify high quality professional accountancy education benchmarks reflected in the distinct qualifications of participating bodies and recognised internationally as meeting the challenges posed by globalisation and the needs of diverse stakeholders.	2015	CFAR Council	DAPET
35.	2015	CFAR became full member of the Common Content Project after having successfully completed the Project's compliance process, including a self-assessment, and review of its qualification by an independent review team. By becoming a full member of the Project, the CFAR has demonstrated at an international level that its qualification meets the highest international education benchmarks and the high quality of the education of its members.	2018	CFAR Council	DAPET
36.	2019	CFAR became a member of the European Federation of Accountants and Auditors for SMEs (EFAA: https://www.efaa.com/) which, while being the voice of SMEs at EU level, provides regular and timely input to the European and international standard-setting process in order to help ensure the stability, relevance, scalability and proportionality of European and international professional standards for SMEs and SMPs (including IESs).	2020	CFAR Council	DMCRI
37.	2015	CFAR started using an online platform where annual CPD courses are made available to its members, as part of their annual CPD reporting obligations: elearning.CFAR.ro The platform highly reduced members' costs related to their CPD obligations and increased courses accessibility, as they are available 24h/7 days	Ongoing	CFAR Senior Executive Staff	DAPET
38.	December 2020	CFAR was delegated by Order of the Public Interest Authority (ASPAAS) President to organize the professional competence exam for a period of 1 year, submitted to ASPAAS oversight and control Given the COVID pandemics, the professional competence exam was held online by CFAR in the period April- May 2021.	December 2021	CFAR Council	DAPET

		Based on ASPAAS assessment, this delegated activity may be extended.			
39.	December 2020	CFAR was delegated by Order of the Public Interest Authority (ASPAAS) President to organize the annual continuous professional development program for Romanian financial auditors for a period of 1 year, submitted to ASPAAS oversight and control. Given the COVID pandemics, the annual CPD program for 2020 was made available exclusively online, on the Chamber's e-learning platform. Based on ASPAAS assessment, this delegated activity may be extended.	December 2021	CFAR Council	DAPET
40.	March 2021	CFAR was delegated by Order of the Public Interest Authority (ASPAAS) President to organize the test for access to practical training for a period of 1 year, submitted to ASPAAS oversight and control CFAR plans to organize this test in the 4 th quarter of 2021. Based on ASPAAS assessment, this delegated activity may be extended.	March 2022	CFAR Council	DAPET
<i>Maintaining Ongoing Processes</i>					
41.	Ongoing	CFAR shall continue to make the best endeavors for adopting and implementing the IAESB pronouncements; this includes review of the implementation of the Action Plan to date and updating the Action Plan for future activities as necessary.	Ongoing	CFAR Senior Executive Staff	CFAR Executive Staff
42.	2016-2018	Implementing EC/56/2014 Directive requirements on statutory audits of annual financial statements and consolidated financial statements.	In progress 31 December 2018	CFAR Council	CFAR Council, CFAR Senior Executive Staff
<i>Review of CFAR's Compliance Information</i>					
43.	Ongoing	Perform periodic review and update sections relevant to SMO 2 as necessary.	Ongoing	CFAR Senior Executive Staff	DMPC, CFAR Executive Staff
44.	Ongoing	Monitoring quarterly evolutions through activities carried out towards professional development.	Ongoing	CFAR Senior Executive Staff	DMCPC, CFAR Executive Staff

Action Plan Subject: SMO 3–International Standards and other Pronouncements Issued by the IAASB
Action Plan Objective: Continue to Use Best Endeavors to Maintain Ongoing Process to Adopt and Implement IAASB Pronouncements

Background:

Law 162 of 06.07.2017 stipulates that all statutory audits are to be carried out in compliance with ISA as issued by the IAASB.

ASPAAS is responsible for the translation and adoption of auditing standards for application in Romania.

Since the enforcement of L162/2017 our institute isn't allowed anymore to translate the ISAs as this task has not been delegated by ASPAAS although CFAR has been translating and adopting ISA since 2006 according to IFAC Translation Policy.

The translation of the Handbook of International Quality Control, Audit, Review, Other Insurance and Related Services, 2018 Edition, of the International Auditing and Assurance Standards Board (IAASB), published by the International Federation of Accountants (IFAC) is available to the members of the profession translated by CECCAR under the oversight of ASPAAS and published on the website: <https://www.codetic-standardeinternationale.ro/>.

CFAR communicates all changes to auditors through annual training courses and on the CFAR website and social media.

DAPET permanently updates the training themes and programs according to the provisions of the IAASB. Annual training curriculum includes ethical issues.

CFAR promotes all IAASB & IFAC announcements and public consultations on the official website and social media pages, including communication kits sent by IFAC.

CFAR participates in public consultations and will also send an opinion on the Less Complex Entities new standard proposition.

#	Start Date	Actions	Completion Date	Responsibility	Resource
<i>Improvements to the Program for Adoption and Implementation of IAASB Pronouncements</i>					
45.	Ongoing	Using the translated IAASB provisions: Dissemination of the translated IAASB Provisions among CFAR members, on the CFAR website, in the CFAR specialized magazine and through inspectors in the CMCCP.	Ongoing	CFAR Senior Executive Staff	DSM, DMCIR, CMCCP, IT Department
46.	Ongoing	Publishing articles in the CFAR specialty magazine (the head of the CMCCP department frequently publishes in the CFAR magazine, in this regard, a series of articles and case studies, on the new applicable standards and on planning an audit according to the Clarified ISAs).	Ongoing	CFAR Senior Executive Staff	CMCCP, DMCIR

#	Start Date	Actions	Completion Date	Responsibility	Resource
47.	Ongoing	Promoting the translated standards in seminars, conferences and other professional events organized by the Chamber of Financial Auditors of Romania at national level or in international events attended by representatives of the Chamber.	Ongoing	CFAR Senior Executive Staff	DIRS, CFAR Executive Staff
48.	Ongoing	Analyzing, during the quality control reviews, those areas covered by the IAASB Pronouncements where the investigated financial auditors or audit firms encounter difficulties and make suggestions to the DAPET for organizing special additional annual courses for the auditors or audit firms having registered low marks, such as B, C and D, during the quality control reviews, according to Decision 18/10.03.2016.	Ongoing	CFAR Senior Executive Staff	DSM, DAPET, CMCCP
<i>Improvements to the Program for Adoption and Implementation of IAASB Pronouncements</i>					
49.	Ongoing	Review changes in IAASB Pronouncements and update the curricula for professional education and training programs. DAPET permanently updates the professional education and CPD curricula, in line with the IAASB provisions.	Ongoing	CFAR Council	DAPET, DMCIR
50.	May 2016	The 2015 edition of the ISA Handbook is published in Romanian and sold in printed and electronic (stick) version.	March 2013	CFAR Council	CFAR Staff and the selected printing house to print the ISA Handbook DAPET – through courses, DSM, DMCIR– communication channels
51.	Ongoing	Hold Continuous Professional Development courses for the CFAR members, financial auditors and trainers recognized by the Chamber, in the field of clarified ISAs.	Ongoing	CFAR Council	DSM, CFAR Executive Staff, DAPET
52.	Ongoing	Continuous meetings and frequent emails with ASPAAS Executive staff and President with the role of updating them on the new issued standards and need of translation and adoption.	Ongoing	CFAR Council, CFAR Senior staff	CFAR Council, CFAR Senior staff, DMCRI
<i>Promoting the International Standards on Audit</i>					

#	Start Date	Actions	Completion Date	Responsibility	Resource
53.	Ongoing	Exchange of experience and information with national, European and non-European professional bodies for supporting the ISAs, the IESBA Code of Ethics and the IAASB Pronouncements. Taking part in internal and international events for continuous professional improvement of professional development processes. Initiating Memorandums of Understanding (MoUs) with other national bodies.	Ongoing	CFAR Council	DMCIR,CFAR Executive Staff
54.	Ongoing	Developing forms of cooperation with higher education institutions and international projects for developing the profession, conducted with the World Bank, EFAA, ICAEW, ACCA and Common Content Project.	Ongoing	CFAR Council	DMCIR, CFAR Executive Staff
<i>Maintaining Ongoing Processes</i>					
55.	August 2011	Establish working groups on the audit of non-reimbursable funds- proactive involvement of the Chamber, in relation to the management authorities.	December 2013	CFAR Council	CFAR Executive Staff
56.	30 November 2011	Publishing news on the Chamber's website (www.CFAR.ro), articles in the two specialized journals issued by CFAR, "Financial Audit" and "Audit Practices" (quarterly journals), in the InfoAudit Newsletter, presentations made by CFAR representatives and speaking out on the EC reform proposals. Supporting the need of adopting the ISAs in the EU.	Ongoing	CFAR Council and CFAR Senior Executive Staff	CFAR Executive staff, DMCRI
57.	June 2014	Initiating awareness and understanding actions for the EC/56/2014 Directive and the EC/357/2014 Regulation, by media actions organized in the main areas of professional development in Romania	Ongoing	CFAR President and Council Members	CFAR Executive Staff
58.	11 December 2014	Initiating actions for elaborating new Action Plans to ensure professional development and establishing short-term priorities.	In progress	CFAR Council	CFAR Council, CFAR Senior Executive Staff
59.	December 2014	Initiating procedures for supporting activities to assimilate the EC/56/2014 Directive and EC/357/2014 Regulation by establishing working groups on CFAR Council level, to ensure cooperation with state authorities responsible with implementing the new European regulations.	March 2015	CFAR Council	CFAR Council, CFAR Senior Executive Staff
60.	Ongoing	Continue to use best endeavors in adopting and implementing the	Ongoing	CFAR Senior	CFAR Senior

#	Start Date	Actions	Completion Date	Responsibility	Resource
		IAASB pronouncements; this includes review of the implementation of the Action Plan to date and updating the Action Plan for future activities as necessary.		Executive Staff	Executive Staff
61.	Ongoing	Organize technical seminars, at national level, with the support of ACCA and Big Four lecturers, in view of promoting the ISAs.	Ongoing	CFAR Senior Executive Staff	DSM, CFAR Executive Staff
<i>Review of CFAR's Compliance Information</i>					
62.	Ongoing	Perform periodic review and update sections relevant to SMO 3 as necessary.	Ongoing	CFAR Senior Executive Staff	DMCPC, CFAR Executive Staff
63.	Ongoing	Monitoring quarterly evolutions through activities carried out towards professional development.	Ongoing	CFAR Senior Executive Staff	DMCPC, CFAR Executive Staff

Action Plan Subject: SMO 4–IESBA Code of Ethics for Professional Accountants

Action Plan Objective: Continue to Use Best Endeavors to Maintain Ongoing Process to Adopt and Implement the IESBA Code of Ethics by CFAR

Background:					
<p>In the ethical field of the statutory audit activity, the final responsibility belongs to the Authority for Public Interest Oversight of the Statutory Audit Activity (ASPAAS).</p> <p>Even by the transposition of the EC/43/2006 Directive into the GEO no. 90/2008 it is established that the financial auditors, in order to have a good reputation, need to comply with the requirements of the Code of Ethics issued by IESBA.</p> <p>The 2018 version of the Code had been translated under the supervision of ASPAAS by CECCAR and it is published online on https://www.codetic-standardeinternationale.ro/</p> <p>CFAR supports the implementation of the IESBA Code of Ethics on an ongoing basis by informing and educating members on ethical requirements through its website, newsletters, magazines, trainings, and continuing professional development programs.</p>					
#	Start Date	Actions	Completion Date	Responsibility	Resource
<i>Ensuring the Convergence with the IESBA Code of Ethics</i>					
64.	Ongoing	Publishing articles in the CFAR magazine, on the principles of the IESBA Code of Ethics. Introduce certain topics in the annual CPD program, regarding the principles comprised in the Code.	Ongoing	CFAR Senior Executive Staff	CFAR Executive Staff
<i>Maintaining Ongoing Processes</i>					
65.	Ongoing	Submit the Romanian version of the Code of Ethics to DAPET for updating the CPD programs and the curriculum for the test for access to training and qualification, as well as to CEJI for amending the CFAR ethics requirements.	Ongoing	CFAR Senior Executive Staff	DMCIR, DAPET, CEJI
66.	Ongoing	Using the translated IESBA provisions: Dissemination of the translated IESBA Provisions among CFAR members, on the CFAR website, on social media and in the CFAR specialized magazine and through inspectors in the CMCCP.	Ongoing	CFAR Senior Executive Staff	DSM, DMCIR, CMCCP, IT Department
		Ensuring compliance to the independence requirements foreseen in the Code of Ethics both by the inspected auditors, as well as by the			

		inspection team. Specific procedures were adopted, comprising in the Independence Statement signed before the quality inspections.			
67.	Ongoing	Organizing technical seminars, on a national level, with the support of ACCA and large-audit-firm lecturers, in view of promoting the principles of the Code of Ethics issued by IFAC. Ethical provisions are annually included in the CFAR CPD curriculum.	Ongoing	CFAR Senior Executive Staff	DSM, CFAR Executive Staff
68.	2014-2018	Implementing Directive 2014/56/EU of the European Parliament and of the Council of 16 April 2014 amending Directive 2006/43/EC on statutory audits of annual accounts and consolidated accounts requirements on statutory audit and public oversight procedures applied by ASPAAS.	Finished 2018	CFAR Council	CFAR Council, CFAR Senior Executive Staff
69.	December 2014	Initiating procedures for supporting activities to assimilate the EC/56/2014 Directive and EC/357/2014 Regulation by establishing working groups on CFAR Council level, to ensure cooperation with state authorities responsible with implementing the new European regulations.	Finished	CFAR Council	CFAR Council, CFAR Senior Executive Staff
70.	Ongoing	Continuous meetings and frequent emails with ASPAAS Executive staff and President with the role of updating them on the new issued ethical requirements and need of translation and adoption.	Ongoing	CFAR Council, CFAR Senior staff	CFAR Council, CFAR Senior staff, DMCRI
<i>Review of CFAR's Compliance Information</i>					
71.	Ongoing	Perform periodic review and update sections relevant to SMO 4 as necessary.	Ongoing	CFAR Senior Executive Staff	CMCCP, CFAR Executive Staff
72.	Ongoing	Monitoring quarterly evolutions through activities carried out towards professional development.	Ongoing	CFAR Senior Executive Staff	CMCCP, CFAR Executive Staff

Action Plan Subject: SMO 5—International Public Sector Accounting Standards and Other Pronouncements Issued by the IPSASB
Action Plan Objective: Continue to use best endeavors for adopting and implementing IPSAS in Romania

Background: In Romania, the institution responsible for the adoption and application of the IPSASs is the Ministry of Public Finances. By Order of the Minister of Public Finances, the legal framework was created so that the Romanian public institutions apply the principles of accrual accounting. Through this regulation, convergence of the national norms to certain IPSASs provisions, related to preparing financial statements and the disclosure of assets and liabilities items in these financial statements--such as: tangible fixed assets, stocks, provisions, expenses and revenues.

The implementation of IPSASs in Romania will be conducted gradually as new disclosure and reporting requirements of the financial-accounting information in the financial statements are prepared by public institutions, following the requirements of the Statistical Office of the European Communities (EUROSTAT).

The Chamber of Financial Auditors of Romania uses the best endeavors for the promotion and adoption of IPSASs in Romania.

#	Start Date	Actions	Completion Date	Responsibility	Resource
<i>Promoting Ongoing Convergence with IPSASs</i>					
73.	Ongoing	Call for articles in the field of IPSAS to be published in the CFAR "Financial Audit" magazine. The CFAR magazines and newsletters include articles related to the IPSASs.	Ongoing	DMCIR	DMCIR
74.	Ongoing	Continue to support implementation of IPSASs through participation at national and international events and promote the importance of the International Public Sector Accounting Standards.	Ongoing	CFAR Senior Executive Staff	CFAR Executive Staff
75.	Ongoing	Continue to use best endeavors by identifying opportunities to further assist in implementation of IPSASs; This includes review of the existing activities and preparation of the Action Plan for future activities where necessary.	Ongoing	CFAR Senior Executive Staff	CFAR Executive Staff
76.	Ongoing	Attend the works of the Accountancy and Financial Reporting Council (where CFAR should be represented by its president), our organization supports the adoption of IPSASs at national level.	Ongoing	CFAR Council	CFAR Executive Staff
<i>Review of CFAR's Compliance Information</i>					
77.	Ongoing	Perform periodic review and update sections relevant to SMO 5 as necessary.	Ongoing	CFAR Senior Executive Staff	DMCIR, CMCCP

Action Plan Subject: SMO 6–Investigation and Discipline

Action Plan Objective: Use Best Endeavors to Maintain an Investigation and Disciplinary Mechanism that Addresses SMO 6 Requirements

Background:

In Romania, the Investigation of financial auditors and audit firms for their conduct and actions in statutory audit missions and finding administrative-disciplinary violations under Law 162/2017 is performed by the Authority for Public Supervision of Statutory Audit, according to legal powers.

CFAR has the competence to establish disciplinary violations, establish disciplinary liability and apply sanctions for financial auditors and audit firms that carry out activities in the independent exercise of the profession, except for statutory audit missions, according to law.

#	Start Date	Actions	Completion Date	Responsibility	Resource
<i>Further Development of Investigation & Discipline Process</i>					
78.	2015-2016	In 2014 it was decided to establish at CFAR, an independent Disciplinary Committee in accordance with the new European requirements, respectively EU Regulation 537/2014	Ongoing	CFAR Council	CEJI
79.	2016	CEJI issued a new set of rules regarding the system of investigation and discipline of the auditors, members of the Chamber of Financial Auditors of Romania - aligned with the new inspection rules, expected to be approved by the CFAR Council.	4 th trimester	CFAR Council	CEJI
80.	Ongoing	Elaboration of a new set of rules on the process of investigation and discipline.	2 nd semester 2016	CEJI CFAR Council	CEJI
81.	2015	During 2015 were given the following sanctions: – Warning sanction in written - for 203 financial auditors, natural persons and 14 audit firms who have not fulfilled their obligations to the Chamber on term – Council Decision no. 01/DIS/2015. – Warning sanction in written - for 53 financial auditors, natural persons and 2 audit firms who have not fulfilled their obligations to the Chamber on term – Council Decision no. 02/DIS/2015.	2015 Completed	CFAR Council	CEJI

82.	2016	<p>During 2016 were given the following sanctions:</p> <ul style="list-style-type: none"> - Withdrawal of CFAR membership - to 192 financial auditors, 13 audit firms who have not fulfilled their obligations to the CFAR on term, CFAR Council meeting of 27th April 2016. - Withdrawal of CFAR membership - to 50 financial auditors, 1 audit firms who have not fulfilled their obligations to the CFAR on term, CFAR Council meeting of 11th July 2016. - 2 sanctions of Suspending the right to carry out the activity for a period of one year- for a professional accountant in Bucharest (for not being able to prove the preparation of the audit file) and for another financial auditor who has fulfilled internal audit work at a public interest entity, overseen by the Financial Supervisory Authority. - 1 Withdrawal of CFAR membership for ISA and Ethics violation. - Warning sanction in written for an audit firm for incorrect exercise of the profession. 	2016 Completed	CFAR Council	CEJI
83.	2016 2 nd quarter	Translations of the Handbook of the Code of Ethics for Professional Accountants of IESBA, 2015 edition.	4 th trimester 2016	CFAR Council	DMCIR, translation and review committees
84.	2016	Adoption, by CFAR Council Decision (No. 114 / 2016) of the Handbook of the Code of Ethics for Professional Accountants, 2015 edition, prepared by the International Ethics Standards Board for Accountants (IESBA) of the International Federation of Accountants.	2016 Completed	CFAR Council	DMCIR, CFAR Council
85.	2017	Aligning the investigation and discipline mechanism to the provisions according to the Handbook of the Code of Ethics for Professional Accountants, 2013 edition.	2017	CFAR Council	CEJI, DMCP
86.	2018	In the application of GEO 75/1999 as amended by Law no. 162/2017, the Regulation on the organization and functioning of CFAR was issued, approved by the Conference Decision no. 2 of APRIL 21, 2018 and published in the Official Gazette Part I no. 436 of May 23, 2018, which includes Chapter IV "Investigations and sanctions", which provides in Articles 42-45 the competence of CFAR through the Disciplinary Commission for finding disciplinary violations, which are the disciplinary violations, disciplinary sanctions and disciplinary	1 st trimester 2018	CFAR Council	CEJI, Legal Department

		procedure.			
87.	2019	<p>In 2019, during the CFAR Conference on April 21, the Disciplinary Commission was elected at the CFAR level, as an independent, independent entity, with investigative attributions and discipline for the profession of financial auditor in Romania. The legal framework that was the basis for the establishment of the Disciplinary Commission is art. 32 ^ 1 of GEO no. 75/1999, as amended by Law 162/2017.</p> <p>Thus, according to art. 32 ^ 1 of GEO 75/1999 The Disciplinary Commission of the Chamber is competent to resolve disciplinary notifications regarding disciplinary violations committed by financial auditors and audit firms, if their actions are related to the activities provided in art. 3 para. (3) lit. b) -e) and par. (4) lit. a) -c) of GEO 75/1999.</p>	2 nd trimester 2019	CFAR Council	CEJI, CFAR Senior Executive Staff
88.	2019	<p>The members of the Disciplinary Commission have established a mechanism for appointing the President, by rotation, for a period of 3 years during the term of office. The president will hold this position for one year, the other members having the opportunity to come to the presidency of the Disciplinary Commission in order by the number of votes obtained at the CAFR Conference.</p>	2019	CFAR Disciplinary commission	CFAR Disciplinary commission
89.	2020	<p>In 2020, due to the COVID-19 pandemic, the Disciplinary Commission could not physically meet until May 2020, however, four meetings took place in May, June, September and December and resolved three disciplinary cases and they were working on three disciplinary cases. The meetings of the Disciplinary Commission are quarterly.</p>	2020	CFAR Disciplinary commission	CFAR Disciplinary commission, CEJI, CFAR Senior Executive Staff
90.	2020	<p>The regulations of the disciplinary commission were made public by publishing them on the Chamber's website and the CEJI disseminated the disciplinary procedure among the members, including the inclusion in the professional training program of the members of some topics related to the investigation and discipline system with the aim of encouraging the reporting of any problems that may constitute possible disciplinary violations.</p>	2019-2020	CFAR	CFAR EXECUTIVE STAFF
91.	2020	<p>In 2020, the Disciplinary Commission solved three disciplinary cases, with the support in solving the files on its role, by the CMCCCP, from a professional point of view and from a technical and administrative point of view on the implementation of the disciplinary procedure by</p>	2020	CFAR Disciplinary commission	CEJI, CMCCCP

		the CEJI.			
92.	2020	In 2020, the Disciplinary Commission ordered a disciplinary sanction, against a financial auditor, the suspension of the activity for a period of 1 year, being forbidden to the financial auditor to carry out the activities provided in art. 3 para. (3) lit. b) -e) of GEO no. 75/1999.	2020	CFAR Disciplinary commission	CEJI, CMCCCP
93.	2021	The Disciplinary Commission is currently working on three disciplinary cases.	2021	CFAR Disciplinary commission	CEJI, CMCCCP
94.	Ongoing	Updating CFAR Regulations, subsequent to amendments brought by the EU Directive 56/2014.	Ongoing	CFAR Senior Executive Staff	CEJI, CFAR Executive Staff
95.	Ongoing	Suggesting necessary changes in the existing regulation, according to identifications in the process of its revision. CFAR regulations include effective and proportionate sanctions for statutory auditors and audit firms that do not carry out statutory audits in accordance with the legal provisions in force, issued by the Chamber.	Ongoing	CFAR Senior Executive Staff	CEJI, CFAR executive Staff
96.	Ongoing	Ongoing collaboration with The Public Oversight Body regarding disciplinary sanctions applied by CFAR,	Ongoing	CFAR Senior Executive Staff	CEJI, CFAR Executive Staff
97.	Ongoing	Receiving requests for investigations - mostly technical or ethical.	Ongoing	CFAR - disciplinary commission	CEJI
98.	Annually	Annually, the Disciplinary Commission prepares and presents to the Chamber a report, including a summary of the investigation and discipline activity carried out in the previous year, as well as proposals for measures to improve the activity and remedy any deficiencies that are published on the Chamber's website. The annual report of the Disciplinary Commission is submitted to the Conference of the Chamber for information.	Ongoing	CFAR Conference	CEJI
99.	2017-2019	Updating CFAR Regulations, subsequent to amendments brought by the EU 56/2014 Directive.	3 rd trimester 2019	CFAR Council	CEJI, CFAR Executive Staff
100.	2017-2020	Round tables with CFAR members, with representatives of the oversight body, as well as with other stakeholders on the new European legislation, its impact and how it is intended to be implemented in Romania (aspects that also aim the scope of	3 rd trimester 2017- 4 th trimester 2020	CFAR Council	CEJI, CFAR Executive Staff

		investigations and sanctions).			
<i>Maintaining Ongoing Processes</i>					
101.	Ongoing	Review of investigation and discipline process, to determine whether the process elements can be improved and further developed.	Ongoing	CFAR Senior Executive Staff	CEJI, CFAR Executive Staff
102.	Ongoing	Publication of case studies to encourage students and qualified members to study them, ensuring that the rights of all those involved (e.g. the rights of those involved in civil or related criminal proceedings) are not negatively affected, by the date and content of these reports. When circumstances permit, those responsible for drafting these reports, issue them after consulting those responsible for the investigation and for imposing civil or criminal sanctions. Each year, the course materials for the related topics for auditors and trainees were designed so that in addition to the theoretical part, case studies are presented.	Ongoing	CFAR Senior Executive Staff	CEJI, DAPET, CFAR Staff
103.	Ongoing	Publication of additional statistics on investigations and discipline, this being able to strengthen the public trust in the oversight and regulation of the audit profession, or, alternatively, increased attention to areas that need improvement.	Ongoing	CFAR Senior Executive Staff	CEJI, CFAR Executive Staff
104.	Ongoing	Performing the process of investigation and discipline, to ensure compliance with the standards and ethics requirements. CEJI	Ongoing	CFAR Senior Executive Staff	CEJI, CFAR Executive Staff
105.	Ongoing	Maintain sustained endeavors to offering assurances regarding the CFAR investigation and discipline mechanism that continues to address all SMO 6 requirements.	Ongoing	CFAR Senior Executive Staff	CEJI, CFAR Executive Staff
106.	Ongoing	Publication of articles in the "Audit Practice" magazine, edited by CFAR, that cover some aspects on the subject of disciplinary investigations, disciplinary procedures, cases of disciplinary, civil or criminal liability, by case.	Ongoing	CFAR Senior Executive Staff	CEJI
107.	2017-2018	Implementing Directive 2014/56 / EU requirements on statutory audit and public oversight procedures applied by CSIPPC.	3 rd trimester 2017- 2 nd trimester 2018	CFAR Council	CFAR Council, CFAR Senior Executive Staff
108.	2018	Tracking how the investigation and discipline system, implemented in accordance with Directive 2014/56 / EU is functional and identify issues to be improved.	In progress	CFAR Council	CFAR Council, CFAR Senior Executive Staff

Review of CFAR's Compliance Information					
109.	Ongoing	Regular updating of the relevant sections on SMO 6, if necessary.	Ongoing	CFAR Senior Executive Staff	CMCCCP, CFAR Executive Staff

Main Requirements of SMO 6

Requirements	CFAR			ASPAAS			Comments
	Yes	No	Partially	Yes	No	Partially	
Scope of the System							
1. A system of investigation, discipline and appeals exists for the accountancy profession. The system is operational.	Y			Y			
2. Information about the types of misconduct which may bring about investigative actions is publicly available.	Y			Y			They are provided in Chapter VII "Investigations and sanctions" of law 162/2017.
Initiation of Proceedings							
3. Both a "complaints-based" and an "information-based" approach are adopted.	Y			Y			Both are provided in the article 84 of law 162/2017 and in Regulations of the ASPAAS Disciplinary Commission
4. Link with the results of QA reviews has been established.	Y			Y			
Investigative Process							
5. A committee or similar body exists for performing investigations.	Y			Y			
6. Members of a committee are independent of the subject of the investigation and other related parties.	Y			Y			
Disciplinary Process							
7. A separate disciplinary committee/entity exists to make disciplinary decisions on referrals from the	Y			Y			

Requirements	CFAR Yes No Partially	ASPAAS Yes No Partially	Comments
investigation committee.			
8. Members of the committee/entity include professional accountants as well as non-accountants.	N	Y	<p>The disciplinary commission of ASPAAS as per Law 162/2017 consists of 4 members with legal or economic training and has the following composition:</p> <ul style="list-style-type: none"> a) a representative of the Ministry of Public Finance; b) a representative of the National Bank of Romania; c) a representative of the Financial Supervisory Authority; d) a representative of ASPAAS.
9. The tribunal exhibits independence of the subject of the investigation and other related parties.	Y	Y	
<p>Sanctions</p> <p>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.</p>	Y	Y	All these sanctions and more are provided by law in Article 40 of Law 162/2017.
<p>Rights of Representation and Appeal</p> <p>11. A third appeals body exists which is separate from both the disciplinary committee and investigative committee.</p>	Y	Y	<p>The competent court from the Romanian jurisdiction.</p> <p>The decisions of the Disciplinary Commission can be challenged in the competent court.</p>
<p>Administrative Processes</p> <p>12. Timeframe targets for disposal of all cases are set.</p>	Y	Y	All are established in paragraph 6 of art. 84 of Law 162/2017

Requirements	CFAR Yes No Partially	ASPAAS Yes No Partially	Comments
13. Tracking mechanisms to monitor progress in investigation and discipline and related procedures are established.	Partially	Y	Through the Department for Monitoring and Professional Competence. All these aspects are regulated in the Regulation of the Disciplinary Commission
14. Records of investigations and disciplinary processes are established.	Y	Y	
Public Interest Considerations 15. Activities are supported to ensure that the public is aware that an investigative and disciplinary system exists in the jurisdiction.	Y	Y	
16. A process for the independent review of complaints on which there was no follow-up is established.	Y	Y	All complaints have a procedure for resolving, whether the applicant replies or not.
17. The results of the investigative and disciplinary proceedings are made available to the public.	Partially	Partially	
Liaison with Outside Bodies 18. There is an appropriate process for liaison with outside bodies on possible involvement in serious crimes and offences.	Partially	Partially	
Regular Review of Implementation and Effectiveness 19. Regular review of implementation and effectiveness of the system are performed, and corrective actions are implemented.	Y	Y	By means of the Internal Market Information System, for disciplinary sanctions. When required by the intern or international context (amendments of European legislation which has to be implemented), the law is amended.

Action Plan Subject: SMO 7–International Financial Reporting Standards and Other Pronouncements issued by the IASB
Action Plan Objective: Continue the sustained Endeavors for the Adoption and Implementation of IFRS

Background:					
<p>The institution responsible for the IFRSs application in Romania is the Ministry of Public Finances. According to the Order of the Minister of Public Finances no. 1121/1006 on the application of the International Financial Reporting Standards, in Romania we continue the gradual implementation of the IFRSs.</p> <p>The International Financial Reporting Standards means the International Financial Reporting Standards (IFRS), International Accounting Standards (IAS) and related Interpretations (SIC-IFRIC interpretations), subsequent amendments to those standards and related interpretations, future related standards and interpretations, so as approved by the European Union, translated and published in Romanian. Companies whose securities at balance sheet date are admitted into trading on a regulated market and who prepare consolidated financial statements are required that from fiscal year 2007, to apply the International Financial Reporting Standards.</p> <p>By actively participating in meetings of the Accounting and Financial Reporting (CCRF) and through its actions, the Chamber of Financial Auditors of Romania makes best efforts to promote the adoption of IFRS in Romania.</p>					
#	Start Date	Actions	Completion Date	Responsibility	Resource
<i>Monitoring the Audit Activity Performed by CFAR Members to the Clients that Prepare IFRS Financial Statements</i>					
110.	Ongoing	Performing inspections on the activity of CFAR members that perform audit for main listed companies, with greater frequency than inspections of other audit firms (no more than once every three years). Norms on quality review, stipulate verification every 3 years for auditors of public interest entities, compared to seven years in other cases.	Ongoing	CFAR Senior Executive Staff	CFAR Executive Staff
<i>Promoting Ongoing Convergence with IFRSs</i>					
111.	May 2005 August 2011	Supporting activities related to the implementation of IFRS by public interest entities and by other categories of entities, with the capacity to implement them fully and correctly. (CFAR is a member of CCRF, ever since the establishment of CCRF, by Government Decision No. 401/16.05.2005, published in Official Journal no. 409 / 16.05.2005). A vice president of the CFAR is part of the Accountancy Collegium, founded in July 2011 by the Minister of Finance, with the role of	Ongoing	CFAR Council and Permanent Bureau	CFAR Presidency – taking part in the CCRF meetings, DSM, CFAR Executive Staff

		ensuring the information and consultation framework on the development of the legal framework for private entities accounting.			
112.	Ongoing	Including IFRSs in the annual curriculum for continuous professional education.	Ongoing	CFAR Council and Permanent Bureau	DAPET
113.	Ongoing	Participation in the technical consultations on the application of IFRSs, including, if any such requests, providing support in translating IFRSs or in the development of professional guidance in this field.	Ongoing	CFAR Senior Executive Staff	CFAR Working Group, DMCIR, CFAR Executive Staff
114.	Ongoing	Articles and news about the implementation and adoption of IFRS in Romania, as well as international trends are published in the CFAR "Financial Audit" magazine and are disseminated among members and trainees.	Ongoing	CFAR Senior Executive Staff	DSM, DMCIR
115.	Ongoing	Organizing events and training in IFRS field and continuous updating of education and professional training programs for them to reflect the new changes to IFRSs, made by the IASB.	Ongoing	CFAR Senior Executive Staff	DSM, DMCIR, DIRS
116.	September 2012	Nominating a CFAR representative in the Supervisory Board of the European Group Counseling in Financial Reporting (EFRAG - European Financial Reporting Advisory Group).	In progress	CFAR Council and Permanent Bureau	DIRS
<i>Maintaining Ongoing Processes</i>					
117.	Ongoing	Organization of technical seminars with the support of ACCA and from large audit firms lecturers, for IFRS coverage.	Ongoing	CFAR Council	CFAR Council, CFAR Senior Executive Staff
<i>Review of CFAR's Compliance Information</i>					
118.	Ongoing	Regular updating of the relevant sections on SMO 7, if necessary.	Ongoing	CFAR Senior Executive Staff	DMCPC, CFAR Executive Staff