

BACKGROUND NOTE ON ACTION PLANS

SMO Action Plans are developed by IFAC Members and Associates to demonstrate fulfilment 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 fulfil the requirements of the SMOs and (b) where some requirements are not yet addressed, to present plans towards their fulfilment.

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 IFAC Member Compliance Program website.

ACTION PLAN

IFAC Member/Associate:	Chamber of Auditors of Uzbekistan (ChAUz)
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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 Chartered Certified Accountant
BAU	Banking Association of Uzbekistan
CBU	Central Bank of Uzbekistan
CAP	Certified Accountant Practitioner
CED	Committee on Ethics and Discipline
CEO	Chief Executive Officer
CIPA	Certified International Professional Accountant
CPA	Certified Public Accountant
CPD	Continuous Professional Development
ChAUz	Chamber of Auditors of Uzbekistan
ChC	Chairman of the Council
EC	Ethics Committee of ChAUz
GSC	Government state committee
MC	Membership Committee
ECAC	Educational Center's Accreditation Committee
ECCAA	Eurasian Council of Certified Accountants and Auditors
ED ChAUz	Executive Director of ChAUz
QAC	Quality Assurance Committee of ChAUz
GTR	Group for Translations Reviews
IAPBE	International Alliance of the Professional Business Elites
I&D	Investigation and Discipline
IAASB	International Auditing and Assurance Standards Board
IAESB	International Accounting Educational Standards Board
IASB	International Accounting Standards Board
IESs	International Educational Standards
IESBA	International Ethics Standards Board for Accountants
IFAC	International Federation of Accountants
IFRIC	IFRS Interpretations Committee
IFRS	International Financial Reporting Standards
IPSAS	International Public Sector Accounting Standards
ISAs	International Standards on Auditing
ISQC	International Standards on Quality Control
MOF RUz	Ministry of Finance of Republic of Uzbekistan
NAAAUZ	National Association of Accountants and Auditors of Republic of Uzbekistan
TMoF	Treasury of the Ministry of Finance of Uzbekistan
TFI	Tashkent Finance institute
TSEU	Tashkent State Economics University
QA&CPD M	Quality Assurance and CPD Manager of ChAUz
QAI	Quality Assurance Inspectors of ChAUz

QAC	Quality Assurance Committee of ChAUz
QAR	Quality Assurance Review of ChAUz
QARS	Quality Assurance Regulation System of ChAUz
QC	Quality Control
SC	Standards Committee
SCoP	Senate Committee of Parliament
SME	Small and Medium Enterprises
SMO	Statement of Membership Obligations
UNAS	Uzbek National Accounting Standards
UNDP	United Nations Development Program
ISA	International Standards of Auditing
USAID	United States Agency for International Development

Action Plan Subject: SMO 1–Quality Assurance
Action Plan Objective: Development of ChAUz Quality Assurance Review System

Background:

The activities of audit organizations are regulated by the Law on Auditing Activities, in which the authorized body established the Ministry of Finance of the Republic of Uzbekistan.

In the law of Auditing activity "Article 27 emphasized the role of the Republican public association of auditors. There are currently two Republican public organizations nowadays: 1) Chamber of Auditors (founded in 2000) comprises a number of auditors and audit firms operating in Uzbekistan; 2) National Association of Accountants and Auditors (founded in 1992) – their members are auditors and accountants.

In accordance with the Presidential Decree of September 19, 2018, a special department was established at the Ministry of Finance to carry out the task to interact with professional organizations and conduct external quality control of the work of audit organizations. The created joint commission organizes its work exclusively in accordance with the requirements of IFAC QS 1 - International Standard on Quality Control 1 (ISQC 1).

After the adoption of the new Law on Auditing Activities, all audit organizations must comply with ISQC requirements. The relevant committee of the Chamber of Auditors holds regular seminars and conferences to clarify the requirements of ISQC 1.

Currently, in accordance with the requirements of SMO 1, when conducting quality control of audit organizations, guided by ISQC 1 edition of 2017, ChAUz conducts the QA reviews (QAR) of its members monitors compliance with the provisions of the Audit Law of Uzbekistan, Auditing Standards, the Code of Ethics and the Internal Regulations of the ChAUz.

One of the important pre-requisites of the QARs is that qualified specialists, who are practicing audit, conduct such reviews; mostly they are certified auditors. They fulfill ChAUz requirements and are appointed by the External Quality Assurance Committee.

#	Start Date	Actions	Completion Date	Responsibility	Resource
<i>Development and Implementation of Quality Assurance System</i>					
1.	January 2013	QA is under revision according to the new regulation. To develop a methodology of the external Quality Assurance Review Program for audit engagements in listed entity and submit it to MOF RUz	Ongoing basis	MOF RUz, ChAUz, QAC	MoF, ChAUz, QAC
2.	Ongoing (On-demand)	To update ISA's and ISQC 1 in Russian and distribute among the ChAUz members.	Ongoing (On-demand)	MOF RUz, ChAUz, QAC	
3.	Regular	To update Review program timely, based on particular issues / difficulties / decisions of QAC Recently review checklists have been updated to reflect changes in legislation.	Continuously / At least annually	Chairman of the QAC	

#	Start Date	Actions	Completion Date	Responsibility	Resource
4.	Regular	To develop ongoing trainings and meetings within QAC in order to train new controllers and therefore: A. to keep high standard know-how in-house, B. to exchange knowledge among controllers through specific findings and issues identified during inspections, and C. to share “best practice”..	Ongoing (On-demand)	Chairman of the QAC	Executive staff All members of QAC
5.	Regular	To learn experience of IFAC member organizations representing accountants with regards to their QA system	Regular Ongoing	Chairman of the QAC, Chairman of the QAC	Executive staff
6.	Ongoing	To develop a model of the internal standard on quality control for audit firms that incorporated requirements of ISQC 1.	Continuously	Chairman of the QAC, Chairman of the QAC	Executive staff
7.	Ongoing	To organize the seminars, conferences and round tables, etc. on “Audit Quality Assurance in ChAUz”.	Regular Ongoing	Chairman of the QAC	Executive staff , MC and EC
8.	As required	To support audit firms with all required instructions on creation of an effective internal Quality Assurance System.	As required	Chairman of the QAC	Budget, Executive staff , MC and EC
9.	September 2019	To conduct self-assessment of their system of voluntary quality control in accordance with the requirements of SMO 1	October 2019	Chairman of the QAC	Executive staff, Budget
<i>Support of Members with the Implementation of Quality Control Standards</i>					
10.	Regularly	To organize training, seminars and other IPD and CPD activities in order to support our members with the implementation of Quality Control Standards	Regularly	Chairman of the QAC	Executive staff, MC, EC
<i>Maintaining Ongoing Processes</i>					
11.	Ongoing	To design and regularly update the QA system in order to be in line with SMO 1 requirements.	Ongoing	Chairman of the QAC	Executive staff

Main Requirements of SMO 1

Requirements	Y	N	Partially	Comments
<p>Scope of the system</p> <p>1. At a minimum, mandatory QA reviews are required for all audits of financial statements.</p>	+			In accordance with regulatory documents, an external quality control of the work of audit organizations, the Ministry of Finance of the Republic of Uzbekistan in conjunction with republican public associations of auditors is carried out at least once every three years;
<p>Quality Control Standards and Other Quality Control Guidance</p> <p>2. Firms are required to implement a system of quality control in accordance with the quality control standards.</p>	+			In accordance with the resolution of the Cabinet of Ministers of Uzbekistan dated March 13, 2019 under No. 218 21. Audit organizations must undergo external quality control of work. It includes compliance with legal requirements, audit standards, quality control standards and the Audit Code of Ethics. ChAUz organizes workshops and online courses on the organization of the QA system in audit companies
<p>3. Most up to date versions of ISQC 1 and other relevant ISAs are adopted as the quality control standards.</p>	+			The Handbook of International Quality Control, Auditing, Review, Other Assurance, and Related Services Pronouncements (2018 Edition) have been adopted by Order of the Chamber of Auditors Uzbekistan (Нужна ссылка на приказ). ChAUz organizes workshops and online courses about QA.
<p>4. Member Body assists firms in understanding the objectives of quality control and in implementing and maintaining appropriate systems of quality control.</p>	+			Organize training, seminars and other IPD and CPD activities in aim to support our members with the implementation of Quality Control Standards
<p>Review cycle</p> <p>5. A cycle-based, risk-based, or a mixed approach for selecting firms for QA review is used.</p>	+			According to Audit Law and PD Auditing' firms performing audit of public companies will be subject to external quality control every 3 years
<p>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).</p>	+			According to Audit Law and PD Auditing' firms performing audit of public companies will be subject to external quality control every 3 years

Requirements	Y	N	Partially	Comments
QA Review Team				
7. Independence of the QA Team is assessed and documented.	+			External quality control of audit organizations is carried out by the staff of the Ministry of Finance and representatives of public organizations. ChAUz proposed Declaration about independence of the QA Team will assessed and documented
8. QA Team possesses appropriate levels of expertise.	+			The Chamber of Auditors complied with these requirements from the first days of the implementation of the external quality control system
Reporting				
9. Documentation of evidence supporting the quality control review report is required.	+			The results of external quality control of the work of audit organizations conducting a mandatory audit are published on the MOF RUz website.
10. A written report is issued upon conclusion of the QA review and provided to the firm/partner reviewed.	+			In addition, the report on the results of external control will be reviewed by an independent body - the committee on external quality control
Corrective and disciplinary actions				
11. Reviewing firms/partners are required to make timely adjustments to meet recommendations from the review report.	+			The law requires auditors and audit firms to comply with requirements for audit quality control
12. QA review system is linked to the Investigation and Discipline system.	+			The Decision of Cabinet of Ministers establishes the types of sanctions and methods of their application; Workshops and online courses of ChAUz for auditors helps to prevent the sanctioned consequences for auditing companies
Consideration of Public Oversight				
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.		+		ChAUz plans to work with the MF to improve the QA process

Requirements	Y	N	Partially	Comments
<p>Regular review of implementation and effectiveness</p> <p>14. Regular reviews of implementation and effectiveness of the system are performed.</p>	+			MOFUz after two years will conduct review on the implementation and effectiveness of control systems

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

Action Plan Objective: Further Development of ChAUz` s Educational requirements in Accordance with IESs Requirements

Background:

In accordance with the Regulation on certification of auditors, authorized by the Ministry of Finance and agreed with the Chamber of Auditors of Uzbekistan and National Association of Auditors and accountants of Uzbekistan, registered in the [Ministries of Finance and Justice](#), candidates have to pass exam's in disciplines such as: 1) financial and managerial accounting, 2) finance and financial management, 3) audit, 4) taxes and civil law. All these programs in Russian and Uzbek languages in accordance with IES. Also, this process regularly monitoring and updating in training programs, which is publicly available. Universities, that are providing trainings in the sphere of accounting and assurance, should agreed programs with CHAUz, that is also mandatory. CHAUz is confirming the compliance of the training programs with the IFRS and ISA.

In order to provide an updated version of the ISA, the Chamber of Auditors applied to the IFAC for permission to translate into the state language. The presence of ISA in the state language accelerate the process of introducing interested universities and relevant centers into the curriculum.

Also in accordance with the Audit Law, auditors have to develop their proficiency, annually reporting on CPD training taken in the professional body to the regulator body. In line with the Regulator – MOF RUz developed CPD regulation in accordance with SMO 2 in which ChAUz members are required to complete at least 40 monitored CPD hours each year. On the part of the regulator, the fulfillment of the conditions of compulsory professional development is controlled by analyzing the data provided by the accredited training centers and this compliance is verified in the quality control process as well. ChAUz has a CPD database to monitor members' hours. Monitoring of continuing education courses is conducted by the Chamber of Auditors of Uzbekistan and the Ministry of Finance on a quarterly basis. Each quarter of the year, training centers provide information on the passage of advanced training courses by auditors. ChAUz supports their members by conducting training on professional development.

To ensure compliance with modern requirements in terms of education, training programs for auditors and accountants are updated as necessary, at least once a year. The Chamber of Auditors is defined as a body that provides methodological assistance to audit organizations.

In this direction, the Chamber of Auditors works closely with the Tashkent Financial Institute, State Economic University, as well as with other international institutions.

The Chamber of Auditors also plans to sign a joint Memorandum between the Ministry of Finance, the Chamber of Auditors and ACCA, according to which a series of activities will be carried out aimed at introducing IFRS and ISA into the higher education system of Uzbekistan. In this case, special attention will be paid to the accreditation of some universities and training centers by ACCA. It is also planned to update the program on Taxes and Corporate Law in accordance with ACCA requirements, with its subsequent recognition.

An active phased implementation of the ACCA international professional certification in Russian is planned.

#	Start Date	Actions	Completion Date	Responsibility	Resource
<i>Promoting the Need for Strengthening the Pre-Qualification Requirements</i>					
1.	Ongoing	To develop and approve updated ChAUZ documents concerning convergence with SMO 2 requirements.	Ongoing	Chairman of EC	Executive staff
2.	Ongoing	To provide review and expert opinion on the draft Standard of higher education in Uzbekistan in accounting and audit of the Ministry of Higher Education Uzbekistan. Taking into account of IFRS and ISA, to organize round table meetings for elaboration of these recommendations.	Ongoing	Chief of the Educational Center	Educational Center Staff
3.	May 2020	To develop, in cooperation with ACCA and other international organization, educational requirements program in accordance with IES.	Ongoing	Chairman of the Council, Chairman of EC	Educational Center Staff, Members
4.	Ongoing	Participation in the development of the Concept Improvement of the education system and continuous professional development of accountants and auditors in Uzbekistan which is designed., inter alia, to implement the requirements of IES at the level of higher education in the field of accounting, audit, tax, finance	Ongoing	Chief of the Educational Center	Educational Center Staff, Members
5.	October 2020	Development of the requirements for accreditation of higher education institutions so that their examinations results in the area of competence are recognized by international organization	Ongoing	Educational Center	Staff, Members
6.	October 2019	Cooperation with - Tashkent Finance institute - Tashkent State University of Economics	Ongoing	Chairman of EC, Chief of the Educational Center	Chairman of EC, Chief of the Educational Center

#	Start Date	Actions	Completion Date	Responsibility	Resource
7.	March 2020	Monitoring the compliance with the requirements by the accredited institutions of higher education and recognition of exams in competences for the international certification	Ongoing	Chairman of EC, Chief of the Educational Center	Chairman of EC, Chief of the Educational Center
8.	November 2019	Strengthening relations with universities to improve the entry level to the profession	Ongoing	Chairman of EC, Chief of the Educational Center	Chairman of EC, Chief of the Educational Center
9.	2020	Contributing the auditors certification process and ensuring its compliance with IE	Ongoing	Council on ChAuz, Chairman of EC,	Council on ChAuz, Chairman of EC,
10.	January 2010	To develop the educational scheme for certification of Auditors of Uzbekistan in accordance international practice.	Ongoing	Chief of the Educational Center	Executive staff, Big 4 and network companies
Strengthening CPD Requirements					
11.	November 2019	Participation in the development of the Concept Improvement of the education system and continuous professional development of accountants and auditors in Uzbekistan which is designed., inter alia, to implement the requirements of IES at the level of higher education in the field of accounting, audit, tax, finance	March 2011 Completed	ChAUz Council, Chairman of EC	Executive staff
12.	September 2020	Informing the MF about progress in improving certification program based on the recommended IESB approach based on the results and areas of competence and progress	Ongoing	Chairman of the Council	EC, QAI
13.	September 2020	Development of a module for studying and comprehension of the requirements of the Code of Ethics for Professional Accountants.	Ongoing	Chairman EC	EC, QAI
14.	September 2020	Review of the contents and the development of taxation and law modules in Uzbekistan and seeking possibilities for their recognition by the international professional organizations	Ongoing	Chairman of the Council	Executive staff, Big 4 and network companies

#	Start Date	Actions	Completion Date	Responsibility	Resource
15.	September 2019	The Chamber of Auditors plans to sign a 3-sided Memorandum of Cooperation with ACCA and MOF RUz. The main purpose of which is the implementation of IFRS, creating the necessary basis for training personnel in all areas of the economy, including universities.	Ongoing		
16.	Ongoing	To organize lectures, training courses on methodology. Support External QA, etc. To organize seminars, conferences and round tables with relevant universities. International Conference.	Ongoing	Chief of the Educational Centre	Educational Centre Staff, Executive staff , Members
<i>Monitoring Ongoing Processes</i>					
17.	2009	To continue to use best practice to ensure that ChAUz's Education requirements continue to incorporate all IES Requirements. This includes review of the existing requirements and preparation of the Action Plan for the CPD activities where necessary.	Ongoing	Chairman EC	Educational Centre Staff, Executive staff, QAC , network companies
18.	Ongoing	To continue to promote SMO 2 and Educational Standards requirement via representation in the Consultative Board on Accounting and Auditing under the Ministry of Finance RUz.	Ongoing	EQAC Chairman	Educational Centre Staff, Executive staff, QAC , network companies
19.	Ongoing	Tashkent Finance institute and Tashkent State University of Economics: a. inclusion in the current program b. promotion among the students c. induce the professional teachers	Ongoing	Chairman of MC & EC	Executive staff
20.	2018	Cooperation with the ACCA to increase number of accredited training center's to provide training for candidates	Ongoing	Chairman EC	Chairman of MC & EC
21.	2019	Accreditation of the ChAUz training center by IAPBE - UK	2019 completed	Chairman EC	Chairman of MC & EC

#	Start Date	Actions	Completion Date	Responsibility	Resource
22.	Ongoing	Monitoring compliance of ChAUz requirements with the current IES requirements and informing the Board on the findings	Ongoing		Chairman of MC & EC
23.	Ongoing	Tracking possible future changes to IES including IES 7 and informing UFPAA members on the changes through the digest.	Ongoing		Chairman of MC & EC

IES	Adopted (Yes/No/Partially)	Differences
Initial Professional Development (IPD)		
IES 1 Entry Requirements to Professional Accounting Education Programs (2014)	Yes	
IES 2 Initial Professional Development – Technical Competence (2015)	Yes	
IES 3 Initial Professional Development – Professional Skills (2015)	Yes	
IES 4 Initial Professional Development—Professional Values, Ethics, and Attitudes (2015)	Yes	
IES 5 Initial Professional Development—Practical Experience (2015)	Yes	
IES 6 Initial Professional Development— Assessment of Professional Competence (2015)	Yes	
Continuing Professional Development (CPD)		
IES 7 Continuing Professional Development (2014)	Yes	
Specialization for Auditors		
IES 8 Professional Competence for Engagement Partners Responsible for Audits of Financial Statements (2016)	Yes	

Action Plan Subject: SMO 3–International Standards and other Pronouncements Issued by the IAASB
Action Plan Objective: Promote Ongoing Convergence with IAASB Pronouncements

Background:

In accordance with the Decree of the President, audit organizations must carry out audit activities solely on the basis of international audit standards issued by the International Federation of Accountants;

Currently, the Chamber of Auditors provides an opportunity to study the 2016-2017 Handbook of International Quality Control, Auditing, Review, Other Assurance, and Related Services Pronouncements in Russian with a link to the IFAC website. As well as the 2012 Guide to the Code of Ethics for Professional Accountants in the state language in the website of IFAC Handbook of International Quality Control, Auditing, Review, Other Assurance, and Related Services Pronouncements and for Small and Medium-sized Enterprises.

ChAUz provides support to members by way of consultations, audit file development, interpretation of standards, training on ISAs, and other issues related to the development of the profession.

In order to ensure that the members of ChAUz are aware of the best practice in auditors' profession and to provide them with the consultations on application of ISAs, invite representatives of the international organization.

In accordance action plan for 2020 ChAUz after formal procedures with the IFAC expect to translate latest version of the ISA's to official language.

Also in cooperation with the ACCA member's of ChAUz will have opportunity to be certfite with the international recognition. By this way ChAUz facilitates in publishing and disseminating information through cooperation with the IFAC members. ChAUz expect to play an important role in the implementation process so that auditors are aware of the standards and using them as intended.

#	Start Date	Actions	Completion Date	Responsibility	Resource
<i>Ongoing Adoption of IAASB Pronouncements</i>					
1.	October 2019	Cooperation with the MF and NAAA to establish mandatory Quality Assurance reviews of auditors, and ensuring the compliance of the resulting system with the requirements of SMO 1	Ongoing	Chairman of Council	ChAUz Staff, Members MF
2.	February 2020	To prepare draft of audit methodology in accordance of ISAs for auditors.	Ongoing	Chairman of SC	ChAUz Staff, Members

#	Start Date	Actions	Completion Date	Responsibility	Resource
3.	February 2019	Implementation of the IESBA Code of Ethics (edition 2018) with the members of ChAUz	Completed	Chairman of Council, Chairman of SC	Task force
4.	October 2019	To make amendments to the Law "On Audit Activity" to allow to use ISA's in Uzbekistan	Ongoing	Chairman of Council, Chairman of SC	Chairman of Council, Chairman of SC , MF
5.	September 2019	To develop training materials and workshops: on ISAs and audit methodology, auditors and auditing firms, working problems identified during Quality Assurance reviews.	Ongoing	Chairman of SC, Chief of the Educational Center	Executive staff
6.	2020	To translate last version of Handbook of International Quality Control, Auditing, Review, Other Assurance, and Related Services Pronouncements	Ongoing	Chairman of SC, Chief of the Educational Center	Executive staff
<i>Maintaining Ongoing Processes and support member's in understanding and implementing</i>					
7.	2020	To develop recommendations on audit quality improvements based on Quality Assurance reviews and standards' Amendments.	Ongoing	Chairman of SC, Chief of the Educational Center	Executive staff
8.	December 2019	Development and publishing the illustrative forms of independent auditor's reporting in accordance with ISA	Completed	Chairman of SC, Chief of the Educational Center	Chairman of SC, Chief of the Educational Center
9.	2020	Preparation and distribution of audit templates of methodology prepared in accordance ISA's	Ongoing	Chairman of SC, Chief of the Educational Center	Executive staff
10.	January 2020	Development and publishing the methodological recommendations for identifying key audit matters in accordance with ISA 701	Completed	Chairman of SC, Chief of the Educational Center	
11.	February 2020	Development and publication of guidance Materiality in audits	Completed	Chairman of SC, Chief of the Educational Center	

#	Start Date	Actions	Completion Date	Responsibility	Resource
12.	November 2019	Development and publication of guidance Clients acceptance in audit	Completed	Chairman of SC, Chief of the Educational Center	
13.	Ongoing	Monthly digests: IFAC, IASB, MF and ChAUz news.	Ongoing	Chairman of SC, Chief of the Educational Center	
14.	Ongoing	Participation in the discussion and submission of proposals for improvements of the law and regulation that determine the legal framework for auditing the financial statements, conducting audit activities in Uzbekistan, and regulates the relations that arise in the process of auditing	Ongoing	ChaUZ Council Chairman of SC	
15.	Ongoing	Participation in the development of ChAUz professional development programs on auditing and quality assurance and providing trainings	Ongoing	ChaUZ Council Chairman of SC	
16.	Ongoing	To organize conference, seminars and round table's implementation of the ISA's in audit practice.	Ongoing	ChaUZ Council	IFRS Fond Georgia, ChoA Kirgizia
17.	Ongoing	To continue to support ongoing adoption and implementation of IAASB pronouncements. This includes review of the implementation of the Action Plan to date and updating the Action Plan for future activities as necessary.	Ongoing	Chairman of SC	Translators & GTR
18.	Ongoing	To continue to promote SMO 3 and ISA requirements via representation in the Consultative Board on Accounting and Auditing under the MOF RUz.	Ongoing	Chairman of SC	Translators & GTR
<i>Review of CHAUZ's Compliance Information</i>					
19.	Ongoing	To perform periodic review of ChAUz's response to the IFAC SMO Action Plan and update sections relevant to SMO 3 as necessary.	Ongoing	Chairman of Council	Executive staff , SC & ED

Action Plan Subject: SMO 4–IESBA Code of Ethics for Professional Accountants
Action Plan Objective: Promote the Implementation of the Clarified Code of Ethics

Background:

Chamber of Auditors has adopted the revised IESBA Code at the general meeting in March 2010. The Chamber of Auditors approved the Code of Ethics in the 2018 version. At present, it is planned to translate it into Uzbek language. It establishes ethical requirements for professional accountants and auditors and provides a basis for compliance with five fundamental principles of professional ethics: integrity, objectivity, professional competence and due care, confidentiality, and professional behavior.

The CPD Committee of ChAUz included the Revised Code of Ethics in its training materials. ChAUz provides consultations to their members on Code of Ethics' interpretation and other related issues. The revised Code of Ethics is published on ChAUz web site.

ChAUz is responsible for educating its members and enforcing their compliance with the Code of Ethics.

Also ChAUz cooperate with the MF and share with the news about updates and amendmens

#	Start Date	Actions	Completion Date	Responsibility	Resource
<i>Ensure Effective Implementation of the Code of Ethics</i>					
20.	2020	Translation last version of the IESBA Code of Ethics (edition 2018)	Ongoing	Chairman CED	Executive staff
21.	2020	Developing measures to ensure effective implementation of the Code of Ethics.	Ongoing	Chairman CED	Executive staff
<i>Maintaining Ongoing Processes</i>					
22.		Launch of the online course on IESBA Code of Ethics on a free public resource Prometheus	Ongoing	Chairman CED	Chairman CED
23.	Ongoing	To prepare Regularly articles in media on Code of Professional Ethic of Auditors of Uzbekistan in accordance IESBA recommendation	Ongoing	Chairman CED	Executive staff

#	Start Date	Actions	Completion Date	Responsibility	Resource
<i>Maintaining Ongoing Processes</i>					
24.	Ongoing	In order to provide information periodically on changes in the Code of Ethics to interested parties including the Ministry of Finance for possible use in their activities, including SMO 1.	Ongoing	Chairman CED	Executive staff
25.	Ongoing	To continue to support ongoing implementation of the IESBA Code of Ethics.	Ongoing	Chairman CED	Executive staff
26.	Ongoing	To continue to promote SMO 4 and Code of Ethics requirements via representation in the Consultative Board on Accounting and Auditing under the MOF RUz.	Ongoing	Chairman CED	Executive staff
<i>Review of ChAUz's Compliance Information</i>					
27. 9	Ongoing	To perform periodic review of ChAUz's response to the IFAC SMO Action Plan and update sections relevant to SMO 4 as necessary.	Ongoing	Chairman CED	Executive staff

Action Plan Subject: SMO 5—International Public Sector Accounting Standards and Other Pronouncements Issued by the IPSASB
Action Plan Objective: Promote Ongoing Convergence with IPSAS

Background:

The Ministry of Finance has the authority of standard setting in this area. It intends to adopt the International Public Sector Accounting Standards in Uzbekistan fully by 2022.

ChAUz plans to translate the International Public Sector Accounting Standards. Обучение

ChAUz focus on

- Increasing awareness and knowledge sharing, through peer exchange and knowledge transfer .
- Improving national laws/regulations through technical assistance and implementation support.
- Enhancing relevant public sector financial reporting institutional arrangements and capacity developed in standard setting, quality control and implementation arrangements.
- Improving national processes to design, adopt, translate and disseminate standards and tools, as well as related educational materials.
- Establishing training, education, certification and continuing professional development programs, in line with emerging best practices

#	Start Date	Actions	Completion Date	Responsibility	Resource
<i>Promote the Use of IPSAS</i>					
28.	Ongoing	Translation of new International Public Sector Accounting Standards.	Ongoing	Chairman of Council	Executive staff
29.	2019	To create relationship with the international organization to obtain find recourses for translation	2019	Chairman CED MOF RUz	Executive staff
30.	2019	To start cooperation with the MOF RUz and ACCA to train and implement certificate program for staff of the budget organization in accordance IPSAS.	2021	Chairman CED MOF RUz	Executive staff

#	Start Date	Actions	Completion Date	Responsibility	Resource
31.	2019	To support the MOF RUz to prepare training program's to organize training of the staff of budget organization in accordance IPSAS.	2019-2020	Chairman of Council,	Executive staff , ACCA
<i>Monitoring Ongoing Processes</i>					
32.	2009	To continue to use best endeavors by identifying opportunities to further assist in implementation of ISPASs. This includes review of the existing activities and preparation of the Action Plan for future activities where necessary.	Ongoing	Chairman of Council	Executive staff
33.	2013	Cooperation with the SAI in Uzbekistan to start implementation of IPSAS, preparation methodology of the audit of the budget organization	Completed	Chairman of Council	Executive staff
34.	2018	Providing master class to SAI staff during the audit of the budget organization in accordance IPSAS.	2018 Completed	Chairman of Council SAI	Executive staff SAI
35.	Ongoing	To perform periodic review of ChAUz`s response to the IFAC SMO Action Plan and update sections relevant to SMO 5 as necessary.	Ongoing	Chairman of Council	Executive staff

Action Plan Subject: SMO 6—Investigation and Discipline
Action Plan Objective: Development and Maintenance of ChAUz Investigation and Discipline System

Background:

In accordance with the [Law “On Audit Activity”](#) and [Presidential degree](#) ChAUz has a Disciplinary and Appeals Committee which has been running its investigation and disciplinary scheme since its establishment. Disciplinary and Appeals Committee whose members are elected by auditors are responsible for the matters in this area. Disciplinary and Appeals Committee is responsible for independent conduct of proceeding with audit firms that have violated their obligation to respect relevant ISAs and other duties imposed by national law. Proposals against particular auditors submit to Disciplinary and Appeals Committee as a result of her control in auditor’s place of business. Beside the Disciplinary and Appeals Committee, everyone is entitled to complain on auditor - in such a case is Disciplinary and Appeals Committee obliged to investigate obtained information and eventually start the disciplinary procedure.

The Disciplinary System includes the review of claims on the members of PAO and their classification as ethical claims and audit quality claims. In accordance with this classification the claims are sent to the appropriate Committees for consideration of severity and complication of violations. The basic function of penalties is assignment of an extraordinary quality review of a company – PAO’s member.

In line with ChAUz bylaws, if a ChAUz member evades its responsibilities, the ChAUz Council has the right to impose disciplinary action.

The professional body may expel audit firms and should report to the regulator if they do not comply with the International Standards on Auditing and Code of Ethics of Auditors, identified during the quality assurance review.

This disciplinary system includes a review of complaints for ChAUz members and classifies them into ethical complaints and complaints for audit quality.

The main disciplinary measure is off-schedule quality assurance review of ChAUz member.

In line with the Bylaws, the Council of the ChAUz is entitled to take disciplinary actions in the form of Caution or Expulsion in the following cases:

- Breach of or non-compliance with RUz Audit laws and Bylaws, ISA, and ChAUz Code of Ethics;
- Evidence of false information in the documents submitted by an auditor or audit organization;
- Breach of or non-compliance with regulations and decisions of ChAUz governance bodies;
- Wrong doings with respect to the ChAUz and/or its members; and
- Failure to pay or delayed payment of membership fees.

On the other hand, ChAUz supports its members in courts and other institutes to defend their rights.

Activity of the Disciplinary and Appeals Committee organized in accordance with SMO 6.

#	Start Date	Actions	Completion Date	Responsibility	Resource
<i>Organisational Activities</i>					
36.	2018	Organization of I&D mechanisms based on the best practices and recommendations of IFAC	Ongoing	Chairman of CED	Disciplinary Commission members, Executive staff
37.	Ongoing	To keep on exerting every effort to provide compliance of investigation procedure and discipline of PAO to all requirements of SMO 6, including review of implementation of the Action Plan and updating the Action Plan regarding future actions, as needed	Ongoing	Chairman of CED	Disciplinary Commission members, Executive staff
<i>Promote the Use of I&D System</i>					
38.	Ongoing	To ensure continuous compliance of ChAUz's disciplinary process with the Uzbek law and SMO 6 requirements.	Ongoing	Chairman of CED	Disciplinary Commission members, Executive staff
39.	Ongoing	To establish Committee for Appeals in cooperation with MF (determine the composition, identify financial resources, determine membership criteria etc.). The issue was negotiated with the MF, understanding has been reached on sharing the information regarding the appeals	Ongoing	Chairman of CED	MF staff, Disciplinary Commission members, Executive staff
<i>Maintaining Ongoing Processes</i>					
40.	Ongoing	To provide legal support to the ChAUz members when necessary.	Ongoing	Chairman of CED	Disciplinary Commission members, Executive staff
41.	Ongoing	To promote public and ChAUz members' awareness on investigation and disciplinary process through ChAUz and MF website	Ongoing	Chairman of CED	MF staff, Disciplinary Commission members, Executive staff
<i>Review of ChAUz's Compliance Information</i>					
42.	Ongoing	To perform periodic review of ChAUz's response to the IFAC SMO Action Plan and update sections relevant to SMO 6 as necessary.	Ongoing	Chairman of CED	Disciplinary Commission members, Executive staff

Main Requirements of SMO 6

Requirements	Y	N	Partially	Comments
<p>Scope of the system</p> <p>1. A system of investigation, discipline and appeals exists for the accountancy profession. The system is operational.</p>	+			<p>The existing audit oversight system, as regulated by the new the Law “On Audit Activity” and Presidential degree, is fragmented with different aspects of the oversight system, including investigations and discipline being performed by different departments and entities Disciplinary and Appeals Committee.</p> <p>All audit firms are subject of investigation and discipline systems. There is a ChAUz has a Disciplinary and Appeals Committee. The system works to remedy the actions among auditor – members of ChAUz</p>
<p>2. Information about the types of misconduct which may bring about investigative actions is publicly available.</p>		+		<p>In accordance with the requirements of the Decree of the President, the results of the quality control should be posted on the website of the Ministry of Finance.</p>
<p>Initiation of Proceedings</p> <p>3. Both a “complaints-based” and an “information-based” approach are adopted.</p>	+			<p>Both approaches are adopted. Presidential degree, regulates that process. The form of the appeal to the Disciplinary and Appeals Committee was developed</p>
<p>4. Link with the results of QA reviews has been established.</p>	+			<p>Regulation on quality control approved by the ChAUz on December 2019. The order of inspections of complaints was approved by Disciplinary and Appeals Committee.</p>
<p>Investigative process</p> <p>5. A committee or similar body exists for performing investigations.</p>			+	<p>There is Committee for disciplinary investigations ChAUz.</p>
<p>6. Members of a committee are independent of the subject of the investigation and other related parties.</p>			+	<p>There are members of Disciplinary and Appeals Committee of the ChAUz in the Committee for disciplinary. With the new Law it will be new Committee for disciplinary MF and Professional organizations: Members of a committee are independent of the subject of the investigation and other</p>

Requirements	Y	N	Partially	Comments
				related parties. All members of the Committee shall submit a Declaration of independence both towards the subject of investigation and towards other related parties
Disciplinary process				
7. A separate disciplinary committee/entity exists to make disciplinary decisions on referrals from the investigation committee.	+			For the moment Disciplinary and Appeals Committee provides its decisions to ChAUz. According to the statutory provisions, the Association disciplinary body is entitled to apply the following sanctions: a) warning; b) reprimand; c) suspension of membership; d) exclusion
8. Members of the committee/entity include professional accountants as well as non-accountants.			+	Members of the committee/entity include only members ChAUz and auditors. Probably this system will be changed with new Law. Members of the committee/entity include professional accountants as well as non-accountants.
9. The tribunal exhibits independence of the subject of the investigation and other related parties.	+			There is no tribunal
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.			+	The disciplinary system including: (a) warning; (b) Suspension of the certificate; (c) exclusion from the register of auditors. According to the statutory provisions, the Association disciplinary body is entitled to apply the following sanctions: a) warning; b) reprimand; c) suspension of membership; d) exclusion from the members of ChAUz.
Rights of representation and appeal				
11. A third appeals body exists which is separate from both the disciplinary committee and investigative committee.				There is no some procedure like that

Requirements	Y	N	Partially	Comments
Administrative Processes				
12. Timeframe targets for disposal of all cases are set.	+			There are no clear legal provisions in that respect. Improved by laws and regulations adopted in the new Law are approved. ChAUz decide about timeframe targets sets which depends from the seriousness of the infringement committed. ChAUz timeframe is only for suspension of membership and it ends after solving the problem
13. Tracking mechanisms to monitor progress in investigation and discipline and related procedures are established.	+			The Regulation on quality control states include repeated inspections. Suspension of membership in force until the full settlement of outstanding fees
14. Records of investigations and disciplinary processes are established.	+			Regulation on supervision of audit activities contains provisions on the investigations and disciplinary processes. Committee of Membership prepare list of members, who have not paid membership fees and give it on a Main board for a appropriate decision on membership.
Public Interest Considerations				
15. Activities are supported to ensure that the public is aware that an investigative and disciplinary system exists in the jurisdiction.			+	All decisions on disciplinary liability are published on the ChAUz website.
16. A process for the independent review of complaints on which there was no follow-up is established.		+		
17. The results of the investigative and disciplinary proceedings are made available to the public.			+	All decisions on disciplinary liability are published on the ChAUz website.
Liaison with Outside Bodies				
18. There is an appropriate process for liaison with outside bodies on possible involvement in serious crimes and offences.			+	There is an appropriate process for liaison with financial monitoring MOF RUz. ChAUz is limited in applying disciplinary sanctions

Requirements	Y	N	Partially	Comments
Regular review of implementation and effectiveness 19. Regular review of implementation and effectiveness of the system are performed and corrective actions are implemented.			+	For a moment the regulatory body for audit is MOF RUz.

Action Plan Subject: SMO 7–International Financial Reporting Standards and Other Pronouncements issued by the IASB
Action Plan Objective: Promote Ongoing Convergence with International Accounting Standards Board (IASB) Pronouncements

Background:

Accounting and financial reporting is governed by the law of Uzbekistan [Law on Accounting](#) on 30 August 2016. This law states that accounting entities can apply international financial reporting standards in the manner prescribed by law.

Also, in accordance with the Decree of the President of the Republic of Uzbekistan, it was established that joint-stock companies, commercial banks, insurance organizations and legal entities classified as large taxpayers, from January 1, 2021, must maintain accounting records, starting with the results of 2021, must prepare financial statements based on IFRS

The Ministry of Finance of Uzbekistan has legal mandate for adopting accounting standards.

The companies that are not required to follow IFRS, follow the National provisions (standards) of accounting. According to the law of Uzbekistan SMEs have a right to but are not required to follow IFRS. ChAUz was coordinated with the NAAAUZ translation of the 2013 year edition of the IFRS into Uzbek language.

Also, the ChAUz expect to publish the methodological Manual Transformation of financial statements of Uzbekistan enterprises to the financial statements according to international standards.

ChAUz provides support to its members through consultations on IFRS issues, amendments, interpretations, and so on by conducting training of IFRS implementation.

ChAUz in cooperation with the ACCA support to the members to obtain knowledge about IFRS via special training courses.

In order to ensure that the members of ChAUz are aware of the best practice in application of IFRS and to provide them with the consultations on implementation of the standards, Zulfiya Safaeva (audit@uzaudit.uz) auditor of Baker Tilly International in Uzbekistan, the holder of certificate CIPA was assigned as the member of SC.

#	Start Date	Actions	Completion Date	Responsibility	Resource
<i>Adoption and Implementation of IFRS</i>					
43.	Ongoing	To provide training for ChAUz's members regarding amendments to IFRS.	Ongoing	Chairman of SC	Education Department, ChAUz Council
44.	Ongoing	To promote implementation of IFRS through seminars, round table, etc. for listing companies, providing training and education in IFRS, and active participation in the IASB's work program.	Ongoing	Chairman of SC	Education Department, ChAUz Council, Press-Secretary
45.	Ongoing	To develop the main way to use best endeavors for promulgation and assist with IFRS implementation.	Ongoing	Chairman of SC & EC	Education Department, ChAUz Council
46.	Ongoing	Training The consolidated financial statements under IFRS	Ongoing	Council & Chairman of SC	Education Department, ChAUz Council
<i>Organize Review of Translations of the IFRS into Uzbek</i>					
47.	2020	To participate in the Group for Translations of IFRS.	Ongoing	Council & Chairman of SC	Executive & GTR staff
48.	2020	To submit candidates among of member ChAUz to join team to translation of the IFRS.	Ongoing	Council & Chairman of SC	Executive & GTR staff
49.	2020	To review the translated standards and draft IFRS.	Ongoing	Council & Chairman of SC	Executive & GTR staff
50.	2020	To review process of IFRS implementation in commercial banks	Ongoing	Council & Chairman of SC	Executive & GTR staff
<i>Maintaining Ongoing Processes</i>					
51.	Ongoing	To continue monitoring of changes in IFRS and IAASB pronouncements.	Ongoing	Council & Chairman of SC	Executive staff

#	Start Date	Actions	Completion Date	Responsibility	Resource
52.	Ongoing	To disseminate information concerning the best practice in application of IFRS and IFRS for SME application.	Ongoing	Council & Chairman of SC	Executive staff
53.	Ongoing	To distribute information related to IFRS including documents issued by IASB & IFRIC.	Ongoing	Council & Chairman of SC	Executive staff
54.	Ongoing	To cooperate with IFAC Member Body Compliance Staff Key Contact as to convergence with SMO 7.	Ongoing	Council & Chairman of SC	Executive staff
55.	Ongoing	To review the proposed revisions to the SMOs released for public comment and submit the comments to the Exposure Draft of the revised SMOs.	Ongoing	Council & Chairman of SC	Executive staff
56.	Ongoing	To review the proposed revisions to the SMOs released for public comment and submit the comments to the Exposure Draft of the revised SMOs.	Ongoing	Council & Chairman of SC	Executive staff
<i>Review of ChAUz's Compliance Information</i>					
57.	Ongoing	To perform periodic review of ChAUz's response to the IFAC Compliance Self-Assessment questionnaires and update sections relevant to SMO 7 as necessary. Once updated, to inform IFAC Compliance staff about the updates in order for the Compliance staff to republish updated information.	Ongoing	Council	Executive staff