

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 Associate:	<i>Vietnam Association of Certified Public Accountants (VACPA)</i>
Approved by Governing Body:	<i>VACPA Executive Board</i>
Last Update:	<i>December 2021</i>
Next Update:	<i>December 2023</i>

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

VACPA	Vietnam Association of Certified Public Accountants
MOF	Ministry of Finance
QA	Quality Assurance
ISAs	International Standards on Auditing
VSQC	Vietnamese Standard on Quality Control
VSAs	Vietnamese Standards on Auditing
VASs	Vietnamese Accounting Standards
IAASB	International Auditing and Assurance Standards Board
IESBA	International Ethics Standards Board for Accountants
ISREs	International Standards on Review Engagements
ISAEs	International Standards on Assurance Engagements
ISRSs	International Standards on Related Services
VSREs	Vietnamese Standards on Review Engagements
VSAEs	Vietnamese Standards on Assurance Engagements
VSRs	Vietnamese Standards on Related Services
IASB	International Accounting Standards Board

Action Plan Subject: SMO 1 – Quality Assurance

Action Plan Objective: Ensure a quality assurance review system is in place for those members performing audits of financial statements

#	Start Date	Actions	Completion Date	Responsibility	Resource
Background					
<p>Under Article 11 of the Law on Independent Audit No. 67/2011/QH12, the Ministry of Finance (MOF) is responsible for establishing quality assurance (QA) review systems for audit firms and auditors in Vietnam.</p> <p>Accordance with circular No. 157/2014/TT-BTC, The process for QA reviews includes:</p> <p>(1) Monitoring audit service quality and the compliance with the law on independent audits;</p> <p>a) Assessing annual report on self-inspection of audit service quality submitted to the Ministry of Finance and State Securities Commission by the auditing enterprises</p> <p>b) Assessing quality of the auditing enterprises' audit report through financial reports of the entities being subject to audits submitted to the Ministry of Finance and State Securities Commission and relevant agencies according to the regulation;</p> <p>c) Assessing compliance by certified auditors and the auditing enterprises with the regulations on registration and maintenance of audit practicing conditions and auditing service business conditions respectively;</p> <p>d) Carrying out monitoring through reports annually submitted to the Ministry of Finance and State Securities Commission by the auditing enterprises and other information collected during the management.</p> <p>(2). Carrying out direct inspection of audit service quality</p> <p>a) Competent agencies (the Ministry of Finance and State Securities Commission) shall establish an Inspectorate conducting regular or unexpected Inspection into the auditing enterprises.</p> <p>b) Inspecting signs of violation of audit service quality by the auditing enterprises and certified auditors;</p> <p>c) Inspecting and verifying complaints, accusations concerning independent audits.</p> <p>Audit firms in Vietnam that provide audit and assurance services to the public are to be reviewed every three years or whenever there are instances of violations. ISQC 1 has been adopted in Vietnam as the Vietnamese Standard on Quality Control (VSQC 1).</p>					

#	Start Date	Actions	Completion Date	Responsibility	Resource
		<p>From 23 October 2014 to now, VACPA is responsible for coordinating with the Ministry of Finance and the State Securities Commission to conduct the audit quality control.</p> <p>From 1999 to 2008, quality assurance review was conducted by the MOF. From 2009 to October 2014, VACPA was delegated by the MOF to conduct this activity and from October 2014 onwards, this activity has once again resumed and conducted directly by the MOF and the State Securities Commission. By QA Regulation No. 157/2014/TT-BTC issued by MOF on October 23th, 2014, all audit firm, auditor should be inspected (audit firm providing service to listed companies should be inspected at least every 3 years/time, other audit firm should be inspected every 5 years/time). There is QA procedures, guideline and system in place for performing audit quality inspection in Vietnam at moment.</p> <p>By nature, the QA review program of VACPA from 2009 to now has been conducted on behalf and under the direction of the MOF to monitor the quality of practicing auditors. The QA questionnaires in the form scoring tables (one for the firm's internal control system and one for the quality of selected audit files with 100 question and quality audit steps) used in the Audit Quality Inspection was developed by VACPA; MOF and SEC mainly mobilize human resources from VACPA to perform QA for both public, listed and non-listed audit firms; MOF and SEC also get advice from VACPA during and after the inspections.</p> <p>In addition, every year, VACPA leads workshop (joint with MOF and SEC) to dialogue to audit firms and third parties (who use the audit services) regarding audit quality and the result of Audit Quality Inspection.</p> <p>In regulation, an independent QA review program for VACPA members has not been in place but in fact, almost the QA review program performed by VACPA.</p> <p>In 2017, VACPA developed and proposed to MOF the new QA review program which is aligned with international requirements (SMO 1). The new program is on the evaluating process of MOF. It is unclear that when the new program will be approved.</p> <p>In the objective of enhancing the management competence for audit firms, VACPA translated the book "Guide to Practice Management for Small- and Medium-Sized Practices" into Vietnamese in 2020, and VACPA will make this book public in 2021.</p>			
<i>Conducting the quality assurance review program on behalf of the MOF</i>					

#	Start Date	Actions	Completion Date	Responsibility	Resource
1.	2009	Conduct 20, 30, 15, and 15 mandatory QA visits in 2010, 2011, 2012 and 2013 respectively.	2014	VACPA Quality Review Committee	VACPA QA staff, MOF staff, auditors mobilized from audit firms
2.	2010	Completely developed QA questionnaires in the form scoring tables (one for the firm's internal control system and one for the quality of selected audit files with 100 question and quality audit steps) and continue to apply and improve these questionnaires for the year 2016.	Ongoing	VACPA Quality Review Committee; and by VACPA Technical Committee from June 2015	VACPA QA staff, VACPA Executive Board members
3.	2017	In 2017, VACPA developed and proposed to MOF the new QA review program which is aligned with international requirements. The new program is on the evaluating process of MOF. It is unclear that when the new program will be approved.	December 2017	VACPA Quality Review Committee; VACPA Technical Committee	VACPA QA staff, VACPA Executive Board members
4.	2017	Developed Quality review program – Audit engagements questionnaire on Audit of Finalized Report for Construction Completion	December 2017	VACPA Quality Review Committee; VACPA Technical Committee	VACPA QA staff, VACPA Executive Board members
<i>Implement ISQC 1 and Establish a Requirements for Firms to maintain an adequate QA review system</i>					

#	Start Date	Actions	Completion Date	Responsibility	Resource
5.	2009	Develop VSQC 1 based on ISQC 1 and submit to the MOF for issuance. VSQC 1 was issued by the MOF, along with other 36 VSAs developed in accordance with the clarified ISAs.	December 2012	VACPA Auditing Standards Committee	VACPA staff, Experts from audit firms, MOF staff
6.	March 2013	Publish and disseminate VSQC 1.	March 2013 Ongoing	VACPA Quality Review Committee	VACPA staff, Experts from audit Firms
7.	January 2014	QA manual for small and medium practices based on IFAC publication. (by the Decision of VACPA President No. 373-2015/VACPA dated December 14 th , 2015).	December 2015	VACPA Quality Review Committee	VACPA staff
8.	2016	Issued Guiding Regulations on Quality Control for SMPs (which is based on VSQC1).	December 2016	VACPA Technical Committee	VACPA staff, Experts from audit Firms
<i>Develop an independent QA program for members</i>					
9.	November 2014	Start developing a QA program for members, separate from the program of the MOF.	June 2015	VACPA Quality Review Committee	VACPA staff, Experts from audit Firms, VACPA QA committee, VACPA EB members

#	Start Date	Actions	Completion Date	Responsibility	Resource
10.	July 2015	Developing new QA program. It is required for all VACPA members.	December 2015	VACPA Quality Review Committee; and by VACPA Technical Committee from June 2015	VACPA staff, Experts from audit Firms, VACPA QA committee, VACPA EB members
11.	2017	Proposed the new QA program to MOF for approving.	Ongoing	VACPA Quality Review Committee; and by VACPA Technical Committee from June 2015	VACPA staff, Experts from audit Firms, VACPA QA committee, VACPA EB members
12.	2017	<ul style="list-style-type: none"> • In 2017, VACPA developed and proposed to MOF the new QA review program for Financial statements audit which is aligned with international requirements. The new program is on the evaluating process of MOF. It is unclear that when the new program will be approved; • Developed Quality review program – Audit engagements questionnaire on Audit of Finalized Report for Construction Completion. 	December 2017 Ongoing	VACPA Quality Review Committee; VACPA Technical Committee	VACPA QA staff, VACPA Executive Board members

#	Start Date	Actions	Completion Date	Responsibility	Resource
Maintaining Ongoing Processes					
13.	Ongoing	Ensure that members are provided adequate level of CPD courses on quality assurance.	Ongoing	VACPA Training Committee	Training Committee, Quality Review Committee, Research and Consulting Center for CPAs
14.	2020	VACPA also raises awareness of lessons learned from the experiences of other countries: Writing a article posted the newspaper on quality control experiences of other countries (eg: "Quality control audit activities of the United States and lessons for Vietnam" on Proceedings of the 5 th VACPA's Congress.)	2020	VACPA Technical Committee	VACPA Technical Committee
15.	2021	VACPA is going to draft the VACPA' updated quality control regulations.	Ongoing	VACPA Technical Committee	VACPA Technical Committee
Review of VACPA's Compliance Information					
16.	Ongoing	Perform periodic review of VACPA's SMO Action Plan and update sections relevant to this SMO as necessary and work with IFAC compliance staff to publish updated information.	Ongoing	VACPA Quality Review Committee; and by VACPA Technical Committee from June 2015	VACPA staff

#	Start Date	Actions	Completion Date	Responsibility	Resource
17.	March 2014	<p>VACPA promulgated basic toolkits of quality assurance review system applicable for auditing firms to design its own quality assurance review system.</p> <p>The major number of firm members of VACPA has applied the toolkits to improve their quality of services.</p>	December 2015	<p>VACPA Quality Review Committee; and by VACPA Technical Committee from June 2015</p>	Quality Review Committee, VACPA staff.

Table to conduct self-assessment against SMO 1 requirements

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>	Y			
<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>	Y			
<p>3. Most up to date versions of ISQC 1 and other relevant ISA are adopted as the quality control standards.</p>	Y			<p>VSQC 1 based on ISQC 1 (2009 version);</p> <p>VSA's based on ISAs version 2009. VACPA is currently updating VSA's based on the latest ISAs (32 ISAs). We finished translating the latest version of ISAs into Vietnamese in 2019 (for reference and reporting the MOF on the differences between VSA's and ISAs) and has drafted 10 VSA's (VSA 570; VSA 700 series; VSA 800 series, including VSA 701 for first issuing) to submit to MOF for consideration and issuance.</p>

Requirements	Y	N	Partially	Comments
4. Member Body assists firms in understanding the objectives of quality control and in implementing and maintaining appropriate systems of quality control.	Y			VACPA coordinates with the MOF, SSC and organizes workshops on solving/ carrying out remedies for shortcomings and mistakes detected during the QA review.
Review cycle 5. A cycle-based, risk-based, or a mixed approach for selecting firms for QA review is used.	Y			Mixed approach for selecting firms for QA review: A cycle-based is used for Regular QA review; risk-based is used for Unexpected QA review in accordance with Article 13 of Circular No. 157/2014/TT-BTC dated October 23, 2014.
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			For cycle-based approach, quality control reviews are required to take place as below: a) At least every three years with respect to auditing enterprises subject to the list approved of performing auditing for securities related public-interest entities; b) At least every four years with respect to auditing enterprises subject to the list approved of performing auditing for other public-interest entities (excluding those approved of performing auditing for securities related public-interest entities);

Requirements	Y	N	Partially	Comments
				<p>c) At least every five years with respect to auditing enterprises being not subject to the list mentioned in Point a, Point b of this Paragraph;</p> <p>d) In case results from regular direct inspection of audit service quality are concluded as third grade “Unsatisfactory service quality” or fourth grade “poor service quality or a serious mistake committed”, the Auditing Enterprise shall be re-inspected right from one to two years later.</p>
<p>QA Review Team</p> <p>7. Independence of the QA Team is assessed and documented.</p>	Y			<p>QA review team is officials from the MOF, SSC, VACPA and partners and aditorsauditors from audit firms. Every member has to sign an independent commitment before conducting the review.</p>
<p>8. QA Team possesses appropriate levels of expertise.</p>	Y			<p>QA Team have to meet the Standards of members and head of the QA Team in accordance with Article 16 of Circular No. 157/2014/TT-BTC dated October 23, 2014.</p>
<p>Reporting</p>	Y			<p>In accordance with Article 25 of Circular No. 157/2014/TT-BTC dated October 23, 2014, the QA review must</p>

Requirements	Y	N	Partially	Comments
9. Documentation of evidence supporting the quality control review report is required.				input into its QA review dossier full information and appropriate evidence as foundations for the formation of QA review conclusion for each firm including the report of inspection results, minutes of administrative violations (if any), audit service quality control system assessments, and assessments of individual dossier of service contracts chosen for reviewing, work documents prepared by the QA review team, materials provided by firm subject to review and other relevant documents.
10. A written report is issued upon conclusion of the QA review and provided to the firm/partner reviewed.	Y			After the direct QA review is completed, the QA review team must establish the Report of QA review, discuss the draft report of QA review with the legal representative, partner and auditor of the firm. The firm, head and members of the QA review team is responsible for signing the Report of inspection right after the QA review is completed. In case there is any issue being not unanimously agreed on, the firm must specify it in the Report of QA review.

Requirements	Y	N	Partially	Comments
<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: Ensure that all IES requirements are incorporated in an appropriate roadmap into the VACPA Professional Accountancy Education System

#	Start Date	Actions	Completion Date	Responsibility	Resource
<p>Background</p> <p>In Vietnam, the Law of Accounting 2015 establishes qualification requirements for chief accountants and other accountancy professionals; while the Law on Independent Audit sets out qualification requirements for auditors. Certificates to practice as both chief accountants and auditors are issued by the Ministry of Finance (MOF) who is responsible for implementing the requirements as prescribed in both laws indicated above.</p> <p>In order for an individual to become an accountant or Chief Accountant, the person is required to hold a university degree in accounting and complete two years of work experience before being offered a license to practice or 3 years of work experience for people graduated from a college. Those who wish to become Chief Accountants are required to hold a Chief Accountant training certificate (Circular 199/2011/TT-BTC dated 30/12/2011). .</p> <p>The Law on Independent Audit sets out the qualification requirements for auditors. Individuals who choose to become auditors must also hold a university degree in accounting, be employed full-time by an audit practice, complete 36 months of work experience, and pass seven components of the Certified Public Accountant (CPA) examination, which is developed and administered by the MOF. Those who have completed a foreign qualification from a foreign professional accountancy organization (PAO) are required to complete a conversion examination offered by the MOF.</p> <p>The Law on Independent Audit and Circular No. 150 of 2012, Circular No.56 of 2015 (revised Circular No. 150) establishes the obligations of Vietnamese practicing auditors in regard to continuing professional development (CPD), which the Vietnam Association of Certified Public Accountants (VACPA) indicates is fundamentally consistent with IES 7 but is not specifically referenced. The MOF accredits different providers to offer CPD courses in Vietnam. Both professional accountancy organizations (PAOs) in Vietnam, VACPA and the Vietnam Association of Accountants and Auditors (VAA) are accredited providers of CPD courses.</p> <p>Based on information from the World Bank Report on the Observance of Standards and Codes (ROSC): Accounting and Auditing module and as reported by VACPA, the IES are not incorporated into accountancy education requirements in Vietnam, and it is unclear if the IES requirements are being considered for adoption.</p>					

#	Start Date	Actions	Completion Date	Responsibility	Resource
<p>Persons who have passed the Vietnamese CPA examination held by the MOF and whose membership application has been approved shall become individual members of VACPA. Individual members include practicing members and non-practicing members. Practicing members account for 80% of all members and are those who have obtained audit practicing certificates in accordance with the Independent Audit Law.</p> <p>The Independent Audit Law and Circular No. 150/2012/TT-BTC prescribe the rights and obligations of Vietnamese practicing auditors in terms of CPD, the organizing, form, credit hours requirements, confirmation and evaluation of CPD, and other detailed contents. The CPD system is fundamentally consistent partially with IESs and SMO 2, aims to maintain and improve the profession quality, the practice ability and the ethics of CPAs, and enhance the competence of the accountancy professionals.</p> <p>VACPA plans to co-working with universities to translate fully IES into Vietnamese. The translation will be the good reference for MOF, universities and VACPA in improving training quality and follow IES.</p>					
<p><i>Organize annual CPD courses for members, auditors and interested people</i></p>					
1.	2005	<p>VACPA was the sole provider of CPD courses and organized annually 35-40 classroom-based CPD courses for more than 2000 Vietnamese CPAs and interested people.</p> <p>The CPD courses mainly are organized in 2 biggest cities of Vietnam (Hanoi City in the north and Ho Chi Minh City in the south) and a few courses in Danang City (the central of Vietnam).</p>	2013	VACPA Training Committee	Experts from Firms, Training Committee, Research and Consulting Center for CPAs

#	Start Date	Actions	Completion Date	Responsibility	Resource
2.	2013	<p>VACPA is one of the accredited providers of CPD courses, along with a few other accredited CPD providers including the Big 4 firms (who are eligible to run courses for auditors working at their own firms).</p> <p>Every year, the Training Committee and the Technical Committee work together to make a CPD training program for the whole year with range of topic (from accounting, to auditing, tax, finance, banking, securities, valuation etc.,) based on the survey to VACPA's member. The official program (with the approved by MOF) for next year should be launched on July every year to all members.</p> <p>The Research and Consulting Center for CPAs (under VACPA) is the sole provider for the CPD program. VACPA invites Big 4 partners and managers as lecturers. In addition, VACPA work closely with ACCA, CPAA, CIMA, ICAEW in joint conducting training (2-3 courses every year per the professional Organisation).</p>	Ongoing	VACPA Training Committee	Experts from Firms, Training Committee, Research and Consulting Center for CPAs
3.	2016	VACPA developed training on financial statement audit materials and providing training practicing courses for audit assistant in order to improve audit quality for audit SMPs.	2017	VACPA Technical Committee;	VACPA Technical Committee

#	Start Date	Actions	Completion Date	Responsibility	Resource
				VACPA Training Committee	
4.	2017	Besides the traditional training types, VACPA coordinates ICAEW to organize CPD courses through video conference that accepted by the MOF.	Ongoing	VACPA Training Committee	Experts from ICAEW
<i>Maintaining Ongoing Processes</i>					
5.	Ongoing	Maintain an ongoing process to monitor new and revised regulations and standards and incorporate them into education and examination requirements.	Ongoing	VACPA Training Committee	Experts from Firms, Training Committee, Research and Consulting Center for CPAs
6.	Ongoing	<p>VACPA worked with ACCA and ICAEW to have the right study their syllabus and translating into Vietnamese.</p> <p>VACPA also worked with CPAA to exempt the Tax paper for VACPA members. After the review of training materials, by June 2016, CPAA has accepted that who pass the CPA Vietnam Examination since 2015 will be exempted the Tax Paper of CPAA.</p> <p>VACPA has been working with CPAA in exempting another Paper (Auditing in Advance). VACPA translated the Audit paper into English and this translation has been reviewed by the CPAA.</p>	Ongoing	VACPA Training Committee	Training Committee, Research and Consulting Center for CPAs

#	Start Date	Actions	Completion Date	Responsibility	Resource
		<p>VACPA co-organizes with CPAA, ACCA, ICAEW the workshops on IFRS, the 4.0 Revolution.</p> <p>VACPA co-organizes with ACCA to provide training IFRS for their members and students.</p> <p>VACPA continues to use best endeavors to ensure VACPA education requirements continue to incorporate International Education Standards (IES) requirements. This includes review of the existing requirements and preparation of the Action Plan for the future activities where necessary. Such as, due to impact of Covid-19, in 2020, VACPA has successfully organized many online CPD courses for membership and concered parties. Method of online CPD has not been applied before by VACPA.</p> <p>Participated in doing survey and organised the online seminar "The Impact of Covid 19 & Solutions: Changing the Game of Vietnamese Enterprises" organized by ACCA in partnership with CFO Vietnam club and VACPA.</p>			
<i>Review of VACPA's Compliance Information</i>					
7.	Ongoing	Perform periodic review of VACPA's SMO Action Plan and update sections relevant to this SMO as necessary and work with IFAC compliance staff to publish updated information.	Ongoing	VACPA Training Committee	VACPA staff

#	Start Date	Actions	Completion Date	Responsibility	Resource
8.	Ongoing	VACPA continues to coordinate with the MOF to organize CPA exams.	Ongoing	VACPA Training Committee	VACPA staff

Action Plan Subject: SMO 3 – International Standards and Other Pronouncements Issued by the IAASB
Action Plan Objective: Continue to use our best endeavors to ensure the International Standards on Auditing (ISAs) continue to be adopted and assist in the implementation of the adopted standards in Vietnam

#	Start Date	Actions	Completion Date	Responsibility	Resource
<p>Background</p> <p>Under Article 6 of the Law on Independent Audit, the Ministry of Finance (MOF) is responsible for setting auditing standards in Vietnam.</p> <p>On developing VSAs, Decree No. 17/2012/NĐ-CP dated March 13, 2012 of the Government, in which Audit professional organizations (VACPA) are entitled to research, draft, update the system of Vietnam auditing standards on basic of the standard system of international auditing in compliance with the process of building up, promulgating and publishing the Vietnam audit standards, to submit to the Minister of Finance for issuance.</p> <p>Prior to 2008, the MOF issued 37 Vietnam Standards on Auditing (VSA), which were developed in line with standards issued by the IAASB. In 2012, under Circular No. 214 issued by the MOF, the Vietnam Association of Certified Public Accountants (VACPA) was directed by the MOF to update the VSA.</p> <p>As of June 2018, there are 47 VSA in Vietnam, these standards have been developed in line with the 2009 ISA but with modifications. The modifications are not much, basically the VAS are in line with ISA. It is also unclear if there are plans to review and adopt the latest ISA, which include the new auditor’s report.</p> <p>VACPA has been translated into Vietnamese IAASB Handbook-2012. The translation is the good reference for VACPA’s members.</p> <p>From 1999 to 2005, the MOF issued 37 VSAs and Code of Ethics for Professional Accountants based on the previous system of international standards issued by IFAC.</p> <p>With the IAASB’s Clarity Project, the higher requirements for audit services and responsibilities of auditors, and the need to update the current VSAs in accordance with the clarified ISAs of IAASB, on 13 May 2008, the Minister of Finance signed the Decision No. 1053/QĐ-BTC authorizing VACPA to develop the clarified VSAs in line with the clarified ISAs and relevant to the conditions of Vietnam and submit the standards to the MOF for issuance.</p> <p>The development and revision of VSAs was carried out from 2009 to 2012 and the Circular No. 214/2012/TT-BTC was signed by the Minister of Finance on 6th December 2012 issuing 37 new VSAs (including VSQC 1) and authorizing VACPA to disseminate and facilitate the enforcement of the new VSAs.</p>					

#	Start Date	Actions	Completion Date	Responsibility	Resource
<p>As of June 2018, there are 47 standards (VSA, VSRE, VSAE, VSRS, VSQC1) in Vietnam, which VACPA reports have been developed in line with the 2009 ISA with minor modifications.</p> <p>VACPA has been translated into Vietnamese the Guide to Practice Management for Small-and Medium-Sized Practices(the 4th Edition) and will public for its member and universities in December 2018.</p> <p>VACPA promulgated audit manual program (the third edition 2019) on guidance the auditing practitioners and auditing firms to apply the audit method based on risk in 2019.</p> <p>VACPA has drafted 10 VSAs (VSA 570; VSA 700 series; VSA 800 series, including VSA 701 for first issuing) accordance with the latest version of ISAs and Vietnam's conditions to submit to MOF for consideration and issuance.</p>					
<i>Ongoing adoption of IAASB Pronouncements</i>					
1.	May 2008	Establish a task force. Translate International Standards on Auditing from English to Vietnamese.	2009	VACPA Auditing Standards Committee	Experts from audit firms, VACPA staff
2.	2009	Conduct a series of group meetings to discuss and refer the translated standards to the original ISAs to standardize the meaning and wording of each standard or each group of standards	2012	VACPA Auditing Standards Committee	Experts from audit firms, VACPA staff, MOF staff, lecturers from universities

#	Start Date	Actions	Completion Date	Responsibility	Resource
3.	2010	Submit the standards completed by VACPA to the MOF in 3 batches: the 1 st batch of 9 standards on 26 February 2010, the 2 nd batch of 13 standards on 20 November 2011 and the 3 rd batch of 15 standards on 26 April 2012	April 2012	VACPA Auditing Standards Committee	VACPA staff
4.	April 2012	The MOF reviewed and assessed 37 standards submitted by VACPA. The Minister of Finance signed the decision for issuance of 37 VSAs as legal documents.	December 2012	MOF	Experts from audit firms, Accounting & Auditing Policies Department and concerned departments of MOF
5.	July 2013	Establish a task force. Translate the ISREs, ISAEs and ISRSs in the IAASB's Handbook of International Quality Control, Auditing Review, Other Assurance, and Related Services Pronouncement (2012 Edition Volume II) from English to Vietnamese	December 2013	VACPA Auditing Standards Committee	Experts from audit firms, VACPA staff, MOF staff, lecturers from universities
6.	October 2013	Conduct a series of group meetings to discuss and refer the translated standards to the original standards of IAASB to standardize the meaning and wording of each standard	July 2014	VACPA Auditing Standards Committee	Experts from audit Firms, VACPA staff, MOF staff, universities
7.	August 2014	VACPA submitted the final proposal to MOF. And in May 2015, the Minister of Finance signed the decision for issuance of 10 related professional standards (review standards, assurance standards and other related standards). (10 Standards are gradually being issued).	May 2015	VACPA Auditing Standards Committee, MOF	VACPA staff, Experts from audit firms, Accounting & Auditing Policies Department and concerned departments of MOF

#	Start Date	Actions	Completion Date	Responsibility	Resource
8.	May 2016	With the permission of MOF, VACPA printed and public issued the book of 10 Vietnamese Standards (1,000 copies). These books are mainly distributed for VACPA's members and universities.	June 2016	VACPA Technical Committee	
9.	2016	VACPA revised the guidance for financial statement audit program.	December 2016	VACPA Technical Committee	VACPA Technical Committee; VACPA members
10.	2016	VACPA developed the guidance for audit program for audit on Finalized Report of Construction Completion.	December 2016	VACPA Technical Committee	VACPA Technical Committee; VACPA members
11.	2017-2018	VACPA translated the volume 1 and volume 2 of the book <i>"Guide to Using ISAs in the Audits of Small and Medium-Sized Entities"</i> of IFAC from English to Vietnamese (the third edition).	September 2018		ACCA and VACPA Technical Committee ACCA supported to translate for VACPA; VACPA Technical Committee reviewed
12.	2018	VACPA translated the reports of IFAC about "Agreed – upon procedures engagements: Growth and value opportunities" to Vietnamese.	March 2018	VACPA Technical Committee	VACPA Technical Committee

#	Start Date	Actions	Completion Date	Responsibility	Resource
13.	2019	VACPA translated, promulgated the ISCA Audit Manual For Standalone Entities (ISCA AMSE) for reference and organized a workshop for VACPA members.	October 2019	VACPA Technical Committee	VACPA Technical Committee
14.	2019	VACPA promulgated audit manual program (the third edition 2019) on guidance the auditing practitioners and auditing firms to apply the audit method based on risk in 2019.	December 2019	VACPA Technical Committee	VACPA Technical Committee
15.	2020	VACPA has drafted 10 VSAs (VSA 570; VSA 700 series; VSA 800 series, including VSA 701 for first issuing) accordance with the latest ISAs and Vietnam's conditions to submit to MOF for consideration and issuance.	December 2020	VACPA Auditing Standards Committee;	VACPA Technical Committee
<i>Maintaining Ongoing Processes</i>					
16.	2021	Include the new VSAs into the annual training program. VACPA will invite lecturers from PAOs (ACCA, CPA and ICAEW) and also from Big 4.	Ongoing	VACPA Training Committee	Training Committee, Research and Consulting Center for CPAs, Experts from audit Firms, VACPA staff

#	Start Date	Actions	Completion Date	Responsibility	Resource
17.	Ongoing	Develop guidance documents on comparing VSAs and ISAs.	Ongoing	VACPA Auditing Standards Committee; And by VACPA Technical Committee from June 2015	VACPA staff, Experts from audit Firms, lecturers from universities
18.	2021	VACPA is currently updating VSAs based on the latest version of ISAs and Vietnam's conditions to submit to MOF.	Ongoing	VACPA Auditing Standards Committee;	VACPA Technical Committee
<i>Review of VACPA's Compliance Information</i>					
19.	Ongoing	Perform periodic review of VACPA's SMO Action Plan and update sections relevant to this SMO as necessary and work with IFAC compliance staff to publish updated information.	Ongoing	VACPA Auditing Standards Committee; And by VACPA Technical Committee from June 2015	VACPA staff

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

Action Plan Objective: Continue to use our best endeavors to ensure the IESBA Code of Ethics for Professional Accountants continues to be adopted and assist in its implementation in Vietnam

#	Start Date	Actions	Completion Date	Responsibility	Resource
Background					
<p>Under the Law on Accounting 2015 the Ministry of Finance (MOF) is responsible for establishing ethical requirements for all professional accountants in Vietnam. Professional accountancy organizations (PAOs) in Vietnam are not required and have not established their own separate ethical codes.</p> <p>The MOF has adopted the 2014 IESBA Code of Ethics which is applicable to all professional accountants in the jurisdiction. Members of both the Vietnam Association of Accountants and Auditors (VAA) and Vietnam Association of Certified Public Accountants (VACPA) are required to adhere to the Code as set by the MOF.</p> <p>It is unclear if there are plans by the MOF to review and adopt the latest IESBA Code of Ethics.</p> <p>VACPA translated the “Handbook of the International Code of Ethics for Professional Accountants, including international Independence Standards 2018 Edition” into Vietnamese in 2020.</p>					
Updating the Code of Ethics					
1.	July 2013	Establish a task force. Translate the IESBA’s Handbook of the Code of Ethics for Professional Accountants (Edition 2013) from English to Vietnamese	December 2013	VACPA Auditing Standards Committee	Experts from firms, VACPA staff, MOF staff, universities

#	Start Date	Actions	Completion Date	Responsibility	Resource
2.	October 2013	Conduct a series of group meetings to discuss and refer the translated standards to the original Code of Ethics of IESBA to standardize the meaning and wording	April 2014	VACPA Auditing Standards Committee	Experts from firms, VACPA staff, MOF staff, universities
3.	August 2014	Submitted the Code of Ethics completed by VACPA to the MOF. The MOF has been reviewing and assessing	January 2015	VACPA Auditing Standards Committee, MOF; And by VACPA Technical Committee from June 2015	VACPA staff, Experts from firms, Accounting & Auditing Policies Department and concerned departments of MOF
4.	May 2015	The Code of Ethics was issued by the Circular No. 70/2015/TT-BTC dated May 8th, 2015 by MOF.	Completed	MOF	
<i>Maintaining Ongoing Processes</i>					
5.	2013	Include the Code of Ethics into the mandatory annual CPD program for practicing auditors	Ongoing	VACPA Training Committee	Training Committee, Research and Consulting Center for CPAs, Experts from Firms, VACPA staff
6.	August 2014	The Minister of Finance signed the decision for issuance of Code of Ethics for Professional Accountants.	May 2015	VACPA Training Committee	VACPA staff

#	Start Date	Actions	Completion Date	Responsibility	Resource
7.	2018	VACPA cooperation with ICAEW in translating and introducing the film 'Audit Failure" made by ICAEW about ethics.			
8.	2019-2020	VACPA translated the "Handbook of the International Code of Ethics for Professional Accountants including International Independence Standards 2018 Edition" into Vietnamese.	December 2020	VACPA Technical Committee cooperating with universities	VACPA Technical Committee
9.	2021	VACPA will publish The "Handbook of the International Code of Ethics for Professional Accountants including International Independence Standards 2018 Edition" in Vietnamese for member's reference.	Ongoing	VACPA Technical Committee cooperating with universities	VACPA Technical Committee
Review of VACPA's Compliance Information					
10.	Ongoing	Perform periodic review of VACPA's SMO Action Plan and update sections relevant to this SMO as necessary and work with IFAC compliance staff to publish updated information.	Ongoing	VACPA Auditing Standards Committee; And by VACPA Technical Committee from June 2015	VACPA staff

Action Plan Subject: SMO 5 – International Public Sector Accounting Standards and Other Pronouncements Issued by the IPSASB
Action Plan Objective: Continue to use our best endeavors to promote the use of IPSASs in Vietnam

#	Start Date	Actions	Completion Date	Responsibility	Resource
<p>Background</p> <p>The Ministry of Finance (MOF) is responsible for setting public sector accounting standards.</p> <p>Under MOF Circular No.107/2017/TT-BTC, public sector entities follow a specialized Accounting Regime designed for the public sector but it is unclear what standards were referenced during its development. There have been efforts by local and international stakeholders to promote the adoption of IPSAS to the MOF; however, it is unclear if there are plans for the MOF to do so.</p> <p>The Law on Accounting, revised in 2015, also provides regulations on government financial reporting. The MOF has indicated that as part of the National Accounting General Project, in 2020, a government financial reporting template will be completed by the Vietnam State Treasury (VST). It is envisioned that the VST, as a part of this project template will develop a Treasury and Budget Management Information System (TABMIS) to serve the needs of accounting in the public sector.</p> <p>Vietnam is ongoing process to develop the Vietnam Public Sector Accounting Standards (VPSAS) based on IPSAS and Vietnam’s condition, accordance with Decision No 1299/QD-BTC dated on July 31, 2019 on “approving the scheme for announcement of Vietnam’s public sector accounting standards “ by the MOF.</p> <p>Adoption of accounting standards for Government is beyond the VACPA’s mandate. As such activities revolve around promotion and encouragement of IPSAS adoption.</p>					
<p>Promote the use of IPSASs</p>					
1.	Ongoing	Continue to support the research on and reference to IPSASs through the MOF’s participation in the IPSASB work program.	Ongoing	VACPA Quality Review Committee;	VACPA staff

#	Start Date	Actions	Completion Date	Responsibility	Resource
		<p>VACPA attended workshops, conferences organized by MOF and submitted comments to MOF.</p> <p>VACPA will continue to use best endeavors when required by the MOF to participate in related activities.</p>		<p>And by VACPA Technical Committee from June 2015</p>	
2.	2018	<p>VACPA co-works with CAPA to organize Roundtable on Public Sector in Hanoi on August 2018. And VACPA also translated into Vietnamese and distributed “Improving Financial Management in the Public sector- The Eight Key Elements of PFM Success” of CAPA.</p>	August 2018	VACPA Quality Review Committee;	State agencies, audit firms, VACPA
3.	2020	<p>VACPA Drafted official Letter No. 433-2020/VACPA dated 05/11/2020 on replying to the MOF on commenting on draft Vietnamese public accounting standards</p>	November 2020	VACPA Technical Committee	VACPA Technical Committee
Review of VACPA’s Compliance Information					
4.	Ongoing	<p>Perform periodic review of VACPA’s SMO Action Plan and update sections relevant to this SMO as necessary and work with IFAC compliance staff to publish updated information.</p>	Ongoing	<p>VACPA Quality Review Committee;</p> <p>And by VACPA Technical Committee from June 2015</p>	VACPA staff

#	Start Date	Actions	Completion Date	Responsibility	Resource
5.	2017	VACPA co-worked with IFAC to organize a workshop on Realizing the Power of PAOs: Credibility, Competency, and Collaboration (IFAC SMO workshop).	July 2017	VACPA Technical Committee	VACPA staff

Action Plan Subject: SMO 6 – Investigation and Discipline
Action Plan Objective: Align VACPA Investigation and Discipline System with SMO 6

#	Start Date	Actions	Completion Date	Responsibility	Resource
<p>Background</p> <p>Under Decree No. 41 of 2018 (replaces the Government’s Decree No.105/2013/ND-CP dated September 16, 2013 on penalties for administrative violations in the fields of accounting and independent audit), the Ministry of Finance (MOF) is responsible for establishing and administering an investigation and disciplinary (I&D) mechanism, that is mainly linked to the quality assurance (QA) review system in Vietnam for all professional accountants.</p> <p>The Law on Independent Audit sets out the types of violations that would warrant an investigation, and lists the sanctions that would be imposed on individuals guilty of misconduct. The Vietnamese Association of Certified Public Accountants (VACPA) indicates that the I&D mechanism implemented by the MOF is not aligned with the requirements of SMO 6.</p> <p>The provisions on member discipline are available in Article 9 of the Association’s Charter and the Reward and Discipline No. 330-2013/VACPA. The guidance for dealing with complaints is not in place. VACPA has revised Decision No.330 of 2013 and will issue a new decision on the Reward and Discipline in September, 2018.</p> <p>VACPA states that our membership regulations stipulate certain criteria and conditions for engaging in practice—for example, adhering to continuing professional development (CPD) requirements and ethical requirements of the MOF. VACPA also reports that it has developed and published guidance that deals with complaints about its members, but it is not clear if its own I&D mechanism exists to investigate and discipline members who violate any of the regulations. On an annual basis, VACPA submits reports of CPD hours completed by all of its members to the MOF, who utilizes the data to issue or withdraw practicing certificates to auditors.</p> <p><i>VACPA is strongly encouraged to develop and execute specific plans to promote the requirements of SMO 6 to the MOF so that the existing I&D system in Vietnam can be aligned with international best practices. Similar to SMO 1, VACPA is encouraged to consider how it can reflect on findings from the MOF, I&D mechanism to develop and tailor specific training for members.</i></p>					
<p><i>Improve the investigation and disciplinary mechanism</i></p>					

#	Start Date	Actions	Completion Date	Responsibility	Resource
1.	Ongoing	Develop and publish guidance for dealing with complaints of members	Ongoing	VACPA Quality Review Committee; And by VACPA Technical Committee from June 2015	VACPA staff
Maintaining Ongoing Processes					
2.	Ongoing	Continue to use best endeavors to ensure VACPA's investigation and disciplinary mechanism continues to comply with SMO 6 requirements. This includes review of the existing mechanism and updating the Action Plan for future activities where necessary.	Ongoing	VACPA Quality Review Committee; And by VACPA Technical Committee from June 2015	Experts from firms, VACPA staff
3.	Ongoing	VACPA regulated regulations on reward and discipline applicable for its' members. These regulations have not been matched fully to with SMO 6. VACPA will continue to work out the implementation roadmap for adapting fully to IFAC.	Ongoing	VACPA Member Committee	VACPA staff

#	Start Date	Actions	Completion Date	Responsibility	Resource
		<p>In addition, MOF also has I&D regulations. Such as the Circular No. 157/2014/TT-BTC issued by MOF on October 23th, 2015 – Regulations on Audit Quality Control; the Decree No. 41/2018/ND-CP issued by Prime Minister dated March 12, 2018 on penalties for administrative violations in the fields of accounting and independent audit. .</p> <p>Every year, MOF public the name of audit firm and auditor who has seriously violated these regulations.</p>			
<i>Review of VACPA’s Compliance Information</i>					
4.	Ongoing	Perform periodic review of VACPA’s SMO Action Plan and update sections relevant to this SMO as necessary and work with IFAC compliance staff to publish updated information.	Ongoing	VACPA Quality Review Committee	VACPA staff

Table to conduct self-assessment against SMO 6 requirements

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>	Y			
<p>2. Information about the types of misconduct which may bring about investigative actions is publicly available.</p>	Y			
<p>Initiation of Proceedings</p> <p>3. Both a “complaints-based” and an “information-based” approach are adopted.</p>	Y			
<p>4. Link with the results of QA reviews has been established.</p>	Y			
<p>Investigative process</p> <p>5. A committee or similar body exists for performing investigations.</p>	Y			
<p>6. Members of a committee are independent of the subject of the investigation and other related parties.</p>	Y			
<p>Disciplinary process</p>	Y			

Requirements	Y	N	Partially	Comments
7. A separate disciplinary committee/entity exists to make disciplinary decisions on referrals from the investigation committee.				
8. Members of the committee/entity include professional accountants as well as non-accountants.	Y			
9. The tribunal exhibits independence of the subject of the investigation and other related parties.	Y			
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.	Y			

Action Plan Subject: SMO 7 – International Financial Reporting Standards and Other Pronouncements issued by the IASB
Action Plan Objective: Assist in the implementation of IFRSs when they are adopted in Vietnam

#	Start Date	Actions	Completion Date	Responsibility	Resource
<p>Background</p> <p>The Ministry of Finance is implementing for applying IFRS in Vietnam, VACPA intends to support the MOF in translation all IFRSs from English to Vietnamese. This translation process is expected to be completed in 2020.</p> <p>Under Government Decree No. 87/2017/ND-CP, the Accounting and Auditing Policy Department (AAPD), operating within the Ministry of Finance (MOF), is responsible for setting accounting standards for all entities in Vietnam. The AAPD established and oversees the Vietnamese Accounting Standards Board (VASB), which has been given responsibility to develop Vietnamese Accounting Standards (VAS).</p> <p>From February, 2018, Accounting and Auditing Policy Department (AAPD) was renamed to Accounting, Auditing Supervisory and Management Department (AASMD) accordance with Decision No 185/QĐ-BTC dated on February 09, 2018 regulated the function, right and obligation of Accounting and Auditing Supervisory Department (AASD) by MOF.</p> <p>The Law on Accounting, which was revised in 2015, requires the MOF to develop accounting standards on the basis of international accounting standards but taking the national context into consideration. VAS are therefore to be applied by all entities during the preparation of financial statements while the IFRS are only applied when companies are reporting to foreign investors and these statements are considered supplementary.</p> <p>As of July 2018, the Vietnamese Association of Certified Public Accountants (VACPA) reports that the MOF continues to take IFRS into consideration when developing or reviewing the VAS but IFRS are still not adopted in Vietnam. IFRS for SMEs are also not adopted. SMEs in Vietnam follow an “Accounting Regime for SMEs” developed by the MOF, which VACPA reports is a simplified version of the VAS.</p> <p>The MOF is responsible for developing accounting norms, including accounting standards. From 2002 to 2005, the MOF released 26 Vietnamese Accounting Standards (VASs). From 2009, the MOF started the project of revising VSAs and adopting IASB’s accounting standards and IFRSs.</p> <p>From March 2020 to now, the MOF is performing the “scheme for application of financial reporting standards in Vietnam” accordance with Decision No. 345/2020/QĐ-BTC dated on March 16, 2020.</p>					

#	Start Date	Actions	Completion Date	Responsibility	Resource
<i>Maintaining Ongoing Processes</i>					
1.	Ongoing	Continue to support the implementation of VASs in Vietnam through providing training and education in VASs, IASs and IFRSs, and actively providing feedback on the revision of accounting standards.	Ongoing	VACPA Training Committee	VACPA staff
2.	Ongoing	Continue to use best endeavors by identifying opportunities to further assist in implementation of IFRSs. This includes review of the existing activities and updating the Action Plan for future activities where necessary.	Ongoing	VACPA Quality Review Committee; and by VACPA Technical Committee from June 2015	VACPA staff
3.	Ongoing	VACPA jointly holds annual update training IFRS with ACCA for its members. VACPA's organizational members (firms) have been making best efforts to support MOF in studying and translating Standards for considering future implementation in Vietnam. VACPA supported Institute of Singapore Chartered Accountants (ISCA) in translation into Vietnamese and doing surveys "Fair Value following IFRS" in Vietnam.	Ongoing	VACPA Quality Review Committee; and by VACPA Technical Committee from June 2015	VACPA staff, Experts from firms

#	Start Date	Actions	Completion Date	Responsibility	Resource
4.	2018-2020	VACPA is planning to support the MOF in translation of the most updated full set of IFRSs into Vietnamese for facilitating the process of adopting IFRS in Vietnam.		VACPA Technical Committee (from Nov. 2018)	
<i>Review of VACPA's Compliance Information</i>					
5.	Ongoing	Perform periodic review of VACPA's SMO Action Plan and update sections relevant to this SMO as necessary and work with IFAC compliance staff to publish updated information.	Ongoing	VACPA Quality Review Committee; And by VACPA Technical Committee from June 2015	VACPA staff