

BACKGROUND NOTE ON ACTION PLANS

The SMO Action Plan is intended to provide a summary of:

- The legal and regulatory environment for the profession;
- The status of adoption of international standards and best practices in the jurisdiction; and
- The actions of a Member or Associate to fulfill IFAC membership requirements.

IFAC [Statements of Membership Obligations](#) (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. The SMOs are recognized as the international benchmarks for credible and high-quality PAOs that are focused on and have the necessary expertise to serve the public interest and meet the market demands of their respective jurisdictions.

IFAC Members and Associates conduct a self-assessment against the requirements of SMOs and identify areas where, if any, improvements are needed. Members and Associates should develop an Action Plan to (a) demonstrate how they fulfill the requirements of the SMOs (revised in 2012), and (b) where some requirements are not yet addressed, to present plans towards their fulfillment. Action Plans are designed to be **ever-green** documents that take into consideration IFAC recommendations. Depending on the PAO's level of fulfillment (see *IFAC's Summary Assessment* – page 2), an Action Plan may not be necessary for each SMO section and instead the 'Attestation of Ongoing SMO Compliance' is used to confirm their ongoing commitments. However, PAOs may wish and are welcome to utilize the Action Plan as a tool to demonstrate how they are using 'best endeavors' and going beyond their mandate with innovative approaches to fulfilling the SMOs and strengthening the national profession.

The specific details of each organization's actions will vary even where two PAOs are involved in the same SMO area. Each PAO operates in its own unique regulatory and standard-setting framework and has different operating, technical, and resource capacities. Moreover, in deciding when and how a particular SMO requirement is to be addressed, PAOs might have differing timeframes and objectives to achieve. Notwithstanding these inevitable differences, seeking the advice and assistance of other PAOs who have already faced and dealt with similar challenges can save significant time and resources. IFAC staff will offer assistance as needed.

Regular updates of the SMO Action Plans are required as part of the [IFAC Member Compliance Program](#).

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 affect 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.

Use of Information

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

ACTION PLAN

IFAC Associate:	THE AUDITORS' CHAMBER OF UKRAINE (THE AChU)
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GLOSSARY

IAASB	International Assurance and Auditing Standards Board
I&D	Investigation and Discipline
IES	International Education Standards
IESBA	International Ethics Standards for Accountants
IFRS	International Financial Reporting Standards
IPSAS	International Public Sector Accounting Standards
IPSASB	International Public Sector Accounting Standards Board
ISQC 1	International Standard on Quality Control 1
ISA	International Standards on Auditing
QA	Quality Assurance
SMEs	Small and Medium Sized Entities
SMOs	Statement of Membership Obligations
SMPs	Small and Medium Practitioners
AChU	Auditors' Chamber Of Ukraine
APOB	Audit Public Oversight Board
MoF	Ministry of Finance
QCC	Quality Control Committee of the AChU
AE	Audit entity
IFAC	International Federation of Accountants
AC	Attestation Committee

Action Plan Subject: General Description of Organization, Environment and Goals of the Action Plan
Action Plan Objective: Describe Regulatory and Standard-Setting Framework, Governance, Challenges and Success Factors

General Information on the PAO

The AChU was established in 1993 under the Law of Ukraine “On Auditing Activity”. Now under the Law of Ukraine “On Audit of Financial Reporting and Auditing Activities”, adopted on December 21, 2017, No. 2258-VIII, and came into effect on October 1, 2018, the AChU is a non-for-profit legal entity carrying out professional self-governance of auditors. The purpose of professional self-governance of auditors is to combine, on a professional basis, the efforts of auditors to perform their duties and to enforce their rights, to represent the professional interests of auditors in state and local authorities, to protect professional interests and social rights of auditors, improving the professional level of auditors and providing them with methodological assistance, protecting the interests of individuals and legal entities.

Main functions of the AChU are defined by the Article 47 of the Law № 2258-VIII. These are:

- 1) registration of auditors and subjects of audit activity;
- 2) quality control of audit services provided by the AEs, except those that carry out the statutory audit of financial statements of public interest entities;
- 3) regulation of the relations between the members in the process of conducting the audit activity;
- 4) disciplinary proceedings against auditors and AEs, except those that carry out the statutory audit of financial statements of public interest entities;
- 5) control over the continuous professional development of auditors except those that carry out the statutory audit of financial statements of public interest entities;
- 6) participation in expert assessment of legislative drafts relate to the audit activities;
- 7) summing up of the practice of application of the International Standards on Auditing and providing recommendations upon request of the AEs on controversial and complex issues;
- 8) to represent Ukrainian auditors in relations with the state authorities, local authorities, their officials and officers, enterprises, institutions, organizations irrespective of the form of ownership, public associations and international organizations;
- 9) to advocate professional rights of auditors;
- 10) providing with access and transparency of information regarding auditors of Ukraine.

Members of the AChU are all auditors (2694) and AEs (841) , included in The Register or the Auditors and Audit Entities

Under the law membership in the AChU is mandatory.

AChU’s members provide audit and other professional services in accordance with The International Quality Control, Auditing, Review, Other Assurance, and Related Services Pronouncements, and non-audit services, provided that such services do not create threats to the auditor's independence.

The governing bodies of the AChU are: the Congress of auditors and the Board. Supreme governing body of the AChU is Congress of auditors. Regular Congress of auditors shall be held annually at the second quarter of each year. The Board of the AChU represents the interests of members in the period between congresses of auditors of Ukraine. The Board consists of 11 auditors, elected by the Congress, and makes decisions on behalf of the AChU at its meetings that shall be held every month except august. The term of office of the Board’s members is five years. The same person may not be delegated to the Board for more than two terms. President of the AChU is elected by the Congress from the Board members. The President performs representative functions on behalf of the AChU, chairs the meetings of the Board.

AChU established Committee for the quality control of the audit services (Quality Control Committee) to ensure external Quality Assurance Review.

Current operations of the Audit Chamber of Ukraine are managed by the Secretariat. The Secretariat is headed by an Executive Director appointed by the Congress of auditors of Ukraine, who works in AChU at the main place of work. The Executive Director shall be non-practitioner.

At present the AChU is not a member of any regional or international professional organizations

Regulatory and Standard-Setting Framework

Preparation of financial statements in Ukraine is regulated by the Law of Ukraine “On Accounting and Financial Reporting in Ukraine” of July 16, 1999 № 996-XIV, entered into force January 1, 2000. Under the Law standards to be applied – the National Accounting Regulations (Standards) except for entities that, in accordance with the law prepare financial statements according to International Financial Reporting Standards and National Accounting Regulations (Standards) in the Public Sector. Companies of public interest, public joint-stock companies, entities in mining industries, as well entities determined by the Cabinet of Ministers of Ukraine, prepare financial statements according to IFRS. Banks, financial and credit institutions, insurance companies, publicly traded companies and other PIEs are required to prepare their financial statements according to IFRS. Other entities can voluntary apply the IFRS. The standard-setting body in Ukraine is the Ministry of Finance.

Mandatory audits of financial statements is provided by the Law of Ukraine “On Accounting and Financial Reporting in Ukraine” № 996-XIV. According to the Article 14 Public interest entities (except large non-issuing entities), publicly traded companies, natural monopoly entities in the nationwide market, and economic entities operating in mining (extractive) industries are obliged not later than by April, 30 of the year following the reporting period, publish the annual financial statements and the annual consolidated financial statements together with the auditor report on its website (in full) and otherwise in cases prescribed by law. Large non-issuing entities and medium-sized enterprises are required to publish the annual financial statements together with the auditor report on their website (in full) no later than June, 1, of the year following the reporting period. Other micro and small financial institutions are required to publish their annual financial statements together with the auditor report on their own website (in full) no later than June, 1 of the year following the reporting period. Auditors and AEs shall conduct their audit activities in accordance with the International Standards on Auditing. Standards to be applied in providing mandatory audits of financial statements are that promulgated in the national language on the official website of the MoF of Ukraine, which ensures they are up-to-date and has the right to determine the date from which the ISAs will apply.

Regulation of the Accountancy Profession

Entry into the profession is regulated by the Law № 2258-VIII and provides: attestation of auditors; registering of auditors and AEs in the Register maintained the AChU; mandatory membership in the AChU.

As an auditor may be recognized an individual who has higher education; confirmed the high level of theoretical knowledge and professional competence by successfully passing the relevant exams; has undergone practical training in conducting audit activities.

Theoretical knowledge is confirmed in the 14 directions. Professional competence is attested through the passing of a qualification examination. In the presence of a valid certificate for the examination of theoretical knowledge and qualification examination and positive characteristics of the practical experience of an AE, the Attestation Committee makes a decision on recognition of the qualification of a person for conducting audit activity.

Audit services may be provided only by the AE to whom such a right is granted in accordance with the procedure and under the conditions specified by the Law. AEs may provide audit services only after they have been included in the Register.

All registered auditors and auditor legal entities are members of the AChU. Auditors have the right to unite in public organizations on a professional basis and create public organizations on a professional basis.

Annually, the AChU shall receive from AEs reports about services provided by them, analyze them and submit to the AROB the summarized information on the activities of these entities and the situation with the audit activities in Ukraine.

The APOB regularly monitors changes in the audit services market and evaluates risks arising from a significant number of deficiencies in the work of AEs; the level of concentration on the market; the work of the audit committees or bodies (units) entrusted with the respective functions; the need to take measures to reduce the risks involved. A monitoring report shall be drawn up at least every three years.

Rules IPD, CPD are being developed by the Attestation Committee, approved by the APOB and confirmed by the MoF.

Disciplinary proceedings as to AEs authorized to conduct the statutory audit of the financial statements of PIEs are carried out by the APOB.

Disciplinary proceedings as to auditors and AEs (other than AEs authorized to conduct statutory audits of the financial statements of PIEs) are carried out by the AChU Board.

Audit Oversight Arrangements

According to the Law № 2258-VIII all auditors and AEs in Ukraine are subject to public oversight. The body responsible for public oversight of audit activity in Ukraine is the APOB. The APOB consists of the Audit Oversight Board (hereinafter - the Supervisory Board) and the Quality Assurance Inspectorate (hereinafter - the Inspection). The Audit Public Oversight Board of Ukraine performs supervision and is responsible for overseeing the following areas: registration of auditors and audit legal entities; implementation of international auditing standards; control over certification of auditors and continuous training of auditors who carry out statutory audits of financial statements; control over the quality of statutory audits of financial statements; disciplinary charges against auditors performing statutory audits of financial statements; application of penalties.

The APOB is a member of the IFIAR.

Projects

At present there is no developments in the legal and regulatory framework which may affect the accountancy profession and donor-funded projects related to the accountancy profession involving the AChU

Challenges and Key Success Factors

Priorities for 2021–2022

Preparation for implementation of ISQM. The AChU together with the MoF and APOB are participating in the World Bank's project Strengthening Auditing and Reporting for Eastern Partnership countries (STAREP), which includes activities related to raising awareness and best practices for QA.

Action Plan Subject: SMO 1–Quality Assurance
Action Plan Objective: Further Development and Implementation of Quality Assurance Review System

Background:

The Quality assurance (QA) review of audits of financial statements in Ukraine was assigned by the law to the AChU since 2007 and QA review system complies with the requirements of SMO 1 (revised 2012). The new Law on audit № 2258-VIII (enacted as of 01 October 2018) set up legal foundation for the QA review system.

Pursuant to the Law, the audit has to be conducted in accordance with Code of Ethics and ISAs and observance of other professional and legal/regulatory requirements. Audit firms are responsible for establishing, implementing and maintaining quality control system that comply with ISQC1.

A mandatory quality control of audit services is carried out in relation to entities providing services of the statutory audit of the financial statements of large enterprises, banks, professional participants in the stock market and issuers whose securities are admitted to trading on the stock exchanges or for securities of which a public offering is made, - one every three years; other entities providing statutory audit of financial statements, - once every six years.

According to the Law the quality control of audit services is carried throw the review on whether an AE complies the ISAs, the principle of independence, and the effectiveness of the internal QA system, as well as compliance with the requirements of the Law.

Inspection of the APOB have legal mandate for conducting QA reviews of the audit services of the AEs that are authorized to carry out the statutory audit of the financial statements of PIEs.

QA reviews of the audit services of the AEs that are authorized to carry out the statutory audit of the financial statements except the statutory audit of the financial statements of PIEs are conducted by the Quality Control Committee of the AChU.

QA reviews of the audit services of firms that do not provide the services of statutory audit of financial statements is carried out at their own initiative by the QCC.

QA reviews are carried out directly by the inspectors, who are the officials of the Inspection and the employees of the QCC.

Inspection and the AChU may involve experts in QA reviews. In this case, the independence requirements imposed on the inspectors must be met in respect of the experts.

The procedure for carrying out QA reviews is approved by the MoF.

Self-Assessment against the 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>	X			Under the Law mandatory QA reviews are required for all statutory audits of financial statements.
<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>	X			
<p>3. Most up to date versions of ISQC 1 and other relevant ISA are adopted as the quality control standards.</p>	X			ISQC 1 and other relevant ISA 2016 – 2017 edition are adopted as the quality control standards in Ukraine.
<p>4. Member Body assists firms in understanding the objectives of quality control and in implementing and maintaining appropriate systems of quality control.</p>	X			During 2007 – 2017 the AChU adopted the Concept of QA system in Ukraine; Conceptual basis of QA; Statement on national practice of QA; Statement on external OA reviews; published the Generalized results of external audits of audit quality systems of audit. Now the AChU assists their members through training and awareness-raising activities, discussion forums, publication reference materials on website.
<p>Review cycle</p> <p>5. A cycle-based, risk-based, or a mixed approach for selecting firms for QA review is used.</p>	X			A mixed approach is used for selecting firms for QA, based on the classification features of audits (planned; retest; risk-based review; initiative review), which combines elements of the cycle and the risk-based approach.
<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>	X			QA reviews are required every 3 years for firms that conduct a statutory audits of PIEs and every 6 years for another firms that conduct a statutory audits except audits of PIEs

Requirements	Y	N	Partially	Comments
QA Review Team				
7. Independence of the QA Team is assessed and documented.	X			Each inspector (inspectors included in the group of inspectors) must declare no conflict of interest between him and the firm to be inspected prior to conducting the QA review by issuing a declaration of non-conflict and confidentiality (Article 40.9, section 8.9)
8. QA Team possesses appropriate levels of expertise.	X			The QA team has at least five years auditor experience and has advanced training in the relevant program approved by the Attestation Committee
Reporting				
9. Documentation of evidence supporting the quality control review report is required.	X			General documentation in the form of standard questionnaires, inquiries and checklists is used when conducting QA review. The working documentation is the property of the Inspection / Committee. The final stage of the QA review process is to agree the results with the AE and discuss the implications of the results and actions that AE should consider in order to address any identified deficiencies. The final meeting focuses on recommendations to improving the policies and procedures of the QA System.
10. A written report is issued upon conclusion of the QA review and provided to the firm/partner reviewed.	X			Based on the results of the QA review, a report should be prepared, which should contain the main conclusions and recommendations. The conclusions and recommendations of the results of the QA review should be reported to the firm and discussed with them prior to the preparation of the report. On the last day of the QA review, the quality control inspector (the head of the team of inspectors) draws up a written draft of report and provides it to the firm/partner reviewed.
Corrective and disciplinary actions				
11. Reviewed firms/partners are required to make timely adjustments to meet recommendations from the review report.	X			In case of violation of the quality control system by the AE, the Inspection and the AChU shall give the respective AE recommendations required to perform on their correction and

Requirements	Y	N	Partially	Comments
				set a term of their correction, but not more than 12 months from the date of completion of the review.
12. QA review system is linked to the Investigation and Discipline system.	X			In the case of the AE's professional misconduct specified in paragraph 4 of part five of Article 42 of Law 2258, the Inspection shall submit to the Supervision Board a submission on the application of penalties. In case of a professional misconduct, defined in paragraph 4 of part 5 of Article 42 of this Law, the QCC shall submit to the AChU's Board a submission on the application of penalties.
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.	X			The QCC cooperates with the APOB and, in accordance with the delegated powers, provides it with relevant information on the functioning of the QA review system.
Regular review of implementation and effectiveness 14. Regular reviews of implementation and effectiveness of the system are performed.	X			The APOB provides oversight and is responsible for overseeing the quality control. The APOB Inspection and the AChU annually review the results of QA inspections and publish summarized results. The APOB introduces a review of the AChU's completion delegated powers, including QA.

Action Steps:

#	Start Date	Actions	Completion Date	Responsibility	Resources
<i>Establishing/Supporting the Establishment of QA review system (See SMO Action Plan Update Explanatory Note for examples of possible actions)</i>					
1	2007	Development, implementation and maintenance of QA reviews system	completed	AChU	AChU, QCC employees

2	October 2018	Participation in the development of Audit QA review procedures	April 2019 completed	Board, QCC	Board members, QCC employees,
3	April 2019	Development and implementation of QA reviews guidelines	September 2019 completed	QCC	QCC employees
4	October 2019	Introduce a mandatory QA review system that is proportionate to the nature and range of professional services, including other assurance engagements.	Ongoing	Board, QCC	QCC employees
5	Ongoing	Implement and execute requirements of the new Law on audit relating to the: a) Review of audit firms methodologies; during review process assist and provide guidance to the AEs on the elements, policies and procedures for improvements needed, b) Assessment as to compliance with Code of Ethics, ISQC1, ISA's, and other professional and applicable regulatory and legal requirements	Ongoing	Board, QCC	QCC employees
6	May 2019	Design the 2019 plan for QA reviews and a detailed program of QCC activities	July 2019, annually	QCC	QCC employees
7	Ongoing	Reporting to the Board summary of QA results.	Ongoing, annually	QCC	QCC employees
8	Ongoing	Reporting to the Board regarding QA review results and processes, consider intermediate action	Ongoing	QCC	QCC employees
<i>Support Implementation of Quality and Assurance review system (See SMO Action Plan Update Explanatory Note for examples of possible actions)</i>					
9	February, 2019	Publication for members "Algorithm for building a quality control system for a newly created AE"	February, 2019, completed	QCC	QCC employees

10	September 2019	Prepare and conduct training modules for the AChU members relating to the quality control standards – ISQC 1 and ISA 220. The modules are to be updated with the most significant and the most frequent issues identified during the QA reviews of audit firms.	Quarterly	Board, QCC	Board members, QCC employees
11	September 2019	Meeting-discussion with members on establishing an effective internal quality control system according ISQC 1 and general trends in the regulation of the QA reviews	September 2019, completed	Board, QCC	Board members, QCC employees
12	September 2019	The international conference “Current issues of audit development - a modern approach to quality control” AChU jointly with APOB, EU-FINSTAR	September 2019, completed	Board, APOB	Board, APOB, members, National Bank of Ukraine, National securities and Stock Market Commission, EU-FINSTAR
13	October 2019	Develop and publish recommendations for implementation of the quality assurance system through: - providing recommendations for establishing effective internal inspection systems;	October 2020	Commissions AChU	Practitioners, Board members, QCC employees
14	August 2020	Publishing general results of the QA reviews	Annually	Board, QCC	Board, QCC
		General results of the QA reviews for 2019	August 2020	Board, QCC	Board, QCC
		Analysis of violations by auditors of professional requirements for the quality of audit services for 2020	April 2021	Board, QCC	Board, QCC
15	December 2019 – January 2020	Take part in joint activities with the APOB on the QA matters	Ongoing	Board	
16	Ongoing	Hold regular discussions for members on QA matters	Ongoing	Board, QCC	Practitioners, Board members, QCC employees, high school

	March 2021	Round table "Monitoring of the internal quality control system of audit entities"	March 2021, completed	Board	Board, National Academy of Statistics, Accounting and Auditing
17	June 2021	Organization and conduct of training events on the implementation of the ISQM in practice	October 2022	Board, QCC	Practitioners, Board members, QCC employees, high school

Action Plan Subject: SMO 2–International Education Standards for Professional Accountants and Other Pronouncements Issued by the IAESB
Action Plan Objective: To ensure that all IES requirements are incorporated into AChU education requirements

Background:

Before October, 2018, the AChU was responsible for the initial professional development (IPD) and continuous professional development (CPD) of auditors in Ukraine. After October, 2018, IPD and CPD requirements for professional accountants in Ukraine are defined by the new Law on audit № 2258-VIII, Article 19. Attestation of auditors is carried out by the Attestation Committee. Qualification examinations and theoretical knowledge tests are conducted by the independent assessment centers accredited by the Attestation Committee. Preparation for the examination in accordance with the programs approved by the Attestation Committee may conduct High school and other institutions, professional organizations of auditors and accountants. Candidates for an auditor can prepare for examinations themselves.

Theoretical knowledge is confirmed in the following directions: 1) standards of professional ethics and professional independence; 2) International Standards on Auditing; 3) the legal basis of the audit activity and the methodology of the audit (professional skills); 4) risk management and internal control; 5) financial analysis; 6) management accounting; 7) International Financial Reporting Standards; 8) accounting theory and legal principles of accounting and preparation of financial statements; 9) tax legislation; 10) economic, civil and labor legislation; 11) corporate law and legislation on resumption of the debtor's solvency or bankruptcy; 12) information technology and computer systems; 13) business finance; 14) enterprise economics and statistics.

Professional competence is confirmed by passing a qualification exam, which should certify the ability of a person to apply theoretical knowledge in practice. Individuals who have previously taken university courses related to the fields specified above for the minimum number of hours which are determined by the Attestation Committee in accordance with the approved Procedure, and successfully passed the examinations, according to the decision of the Attestation Committee, may not need to take additional courses and have their previous course work to be counted towards their qualification requirements in the relevant fields. Persons who have passed the relevant theoretical exams in the areas specified above at the professional organizations that are valid members of the International Federation of Accountants and who are members of these organizations or are in the process of gaining membership in these organizations, by the decision of the Attestation Committee may have their relevant course work be counted towards their qualification requirements in the relevant fields.

Auditors admitted to a statutory audit in any EU country intending to work in Ukraine should pass exams confirming their theoretical knowledge of Ukrainian legislation in areas such as auditing and accounting, tax legislation, and the legislation on social security contributions, labor, civil, economic legislation, including corporate law, and legislation on restoration of the debtor's solvency or recognition of bankruptcy.

A person who has higher education and experience in the positions of an accountant, auditor, lawyer, finance expert, economist, assistant (assistant) of an auditor of at least 15 years, or has at least seven years of experience in these positions and has undergone an internship in the manner prescribed by the Law, can be certified according to the results of the qualification exam.

In the presence of a valid certificate for the examination of theoretical knowledge and qualification examination and positive characteristics of the practical experience of an AE, the Attestation Committee makes a decision on recognition of the qualification of a person for conducting audit activity.

Attestation of auditors is carried out by the Attestation Committee created from the 9 representatives of: higher education institutions (one person), professional organizations of auditors and accountants who are members of the International Federation of Accountants (two persons); one person from the AChU; the National Bank of Ukraine, the National Securities and Stock Market Commission, the National Commission for State Regulation in Financial Services Markets, the Ministry of Finance, the Ministry of Economic Development .

The competence of the Attestation Committee includes: organization of development and submission to the Audit Public Oversight Board of the projects of regulatory acts on auditors' attestation and professional training; approval of exam programs for candidates for auditors; organization of examinations; approval of exam results; decision making on enrollment of the exam in the cases stipulated by this Law; consideration of appeals for exam results; accreditation of independent assessment centers, centers for the preparation of exam assignments and appointment of persons for examinations check-up; forming of requirements for legal entities that can conduct continuous professional training of auditors; decision making on recognition of a person's qualification for auditing.

Examination procedures and the procedure for the internship are developed by the Attestation Committee and submitted for approval to the APOB which will submit them for approval to the MoF.

As a whole the IPD and CPD requirements for professional accountants comply with IES.

An oversight of the certification process is exercised by the APOB.

An auditor must comply with the continuing professional training requirements. The procedure of CPD of auditors is approved by the MoF.

CPD of auditors may conduct legal entities that meet the requirements established by the Attestation Committee; audit firms that have developed their own CPD programs that are recognized by professional organizations that are IFAC members; professional organizations of auditors and / or accountants.

Over the last 3 years, the AChU has devoted a lot of time to cooperation with higher education institutions. Memorandums of cooperation were signed with 6 universities. Joint scientific and practical conferences were held annually with the country's leading universities.

It should also be noted that up to 20% of the AChU' members are scientists with a PhD or PhD degree. Some of them head scientific departments or are rectors of universities. Among 11 members of the Board of the AChU there are 2 doctors of sciences and 3 candidates of sciences, who simultaneously work in higher educational institutions and audit companies.

It is through AChU member-scientists that we influence university programs and curricula on topics that correspond to certification programs for candidates to auditor. Such an approach can help make it possible to reduce for candidates to auditor the time in theoretical exams.

The Board of the AChU actively cooperates with PAO in direction of special training events for teachers on issues of professional ethics, performance management and decision-making, analysis and interpretation of financial statements.

Action Steps:

#	Start Date	Actions	Completion Date	Responsibility	Resources
<i>Adoption/Supporting Adoption of IES (See SMO Action Plan Update Explanatory Note for examples of possible actions)</i>					
1	November 2019	Implementation of the revised IES (2,3,4,8) issued by the International Accounting Education Standards Board (IAESB), in the training and Continuous Professional Development programs	Ongoing	AChU's Board	PAOs, Universities
2	Ongoing	Continuous reviewing of IPD and CPD requirements in order for these to be in Accordance with the IFAC-issued IES requirements.	Ongoing		
3	June 2020	STAREP June 11, 2020, event CFRR jointly with ACCA "Improving Competencies for Accountants: Leveraging the ACCA Partnership Program to Improve Curriculum, Teaching and Assessment Methods".	Completed	AChU's Board	STAREP
4	Ongoing	Promoting the importance of IESs for the accounting profession through the roundtables, formal communication and publications, training and education programs	Ongoing	AChU's Board	
<i>Support Implementation of Educational Standards (See SMO Action Plan Update Explanatory Note for examples of possible actions)</i>					

5	December 2019	Cooperation with the Attestation Committee, the Ministry of Finance, the APOB in the development of regulations on procedures of attestation, CPD of auditors, that complies with IES.	July 2020	MoF, AC, APOB, AChU's Board	Board, Secretariat, AC members
6	Ongoing	Cooperation with Ukrainian economic universities, providing lectures and internships (by ACHU members) for better adaption for future profession and increasing student's skills	Ongoing	AChU's Board	Board, members,
7	April, 2019	Round table on the topic: "Current issues of training of specialists and scientists in auditing"	April, 2019, completed	AChU's Board	The National Academy of Statistics, Accounting and Auditing, AChU's members, the AC members, UFPAA, PAOs, scientists of Ukrainian universities.
8	Ongoing	Monitoring of fulfillment CPD requirements by auditors and providing recommendations for improvement (adoption new IES requirements of ICT and professional skepticism)	Ongoing	AChU's Board	Board, PAOs, members
9	August 2019	Round table on "The role of PAOs in the new system of certification of auditors"	August 2019 completed	AChU's Board	Board, PAOs, members
10	October 2019	Meeting-discussion with members on new conceptual approaches to certification and professional development of auditors	October 2019, completed	AChU's Board	Board, the AC members
11	October 2020	Holding free CPD short-term events for members	Annually	AChU's Board	Board, members

12	December 2020	Web discussion "New rules for certification of auditors and CPD"	December 2020, completed	AChU's Board	Board, the AC members
13	July 2021	International round table: "Requirements for accountants and auditors: international aspect and national specifics"	July 2021 completed	AChU's Board	Board, members UFPAA, IFAC
<i>Contributing to International Standard-Setting (See SMO Action Plan Update Explanatory Note for examples of possible actions)</i>					

Action Plan Subject: SMO 3–International Standards and other Pronouncements Issued by the IAASB

Action Plan Objective: Continue to use best efforts to maintain ongoing process to adopt and implement IAASB Pronouncements

Background:

The Law on audit № 2258-VIII requires auditors and AEs conduct their audit activities in accordance with the International Standards on Auditing without modifications. Standards to be applied are that promulgated in the national language on the official website of the MoF of Ukraine, which ensures they are up-to-date and has the right to determine the date from which the ISAs will apply.

Types of companies that are required to have their financial statements audited. PIEs, publicly traded companies, natural monopoly entities in the nationwide market, entities operating in mining (extractive) industries, large non-issuing entities, medium-sized enterprises, micro and small financial institutions are required have their financial statements audited.

Additional requirements for banks, financial institutions, listed companies, insurance undertakings may be imposed by The National Bank, the National Securities and Stock Market Commission, the National Commission for the State Regulation of Financial Services Markets.

Before October 2018 the AChU have had an exclusive right to approve of auditing standards. April 18, 2003, the AChU adopted Auditing and Ethics Standards of the International Federation of Accountants 2003 edition, as National Auditing Standards as of January 1, 2004. During 2004-2018 the AChU on the basis of the agreement with the IFAC, regularly translated and published handbooks of pronouncements issued by the IAASB (Handbook of International Quality Control, Auditing, Review, Other Assurance, and Related Services pronouncements) and adopted their implementation at national level. After October 2018, MoF of Ukraine is responsible for translation and publishing auditing standards and have legal mandate to define date from which auditing standards will apply. Current version of ISAs and other pronouncements (ISRE, ISAE, ISRS, ISQC 1) that has been translated and is currently being applied - 2016 – 2017 edition plus ISA 540 (revised), Auditing Accounting Estimates and Disclosures. The IFAC Policy on Translations has been followed.

The ACHU promotes and enforces implementation through education activities and CPD courses.

The AChU cooperates closely with HIED institutions. There are many AChU's members of Academia who have the opportunity to post scientific papers, research, and thesis of scientific conferences on the AChU website.

<https://www.apu.com.ua/2019/12/16/%d0%b5%d0%bb%d0%b5%d0%ba%d1%82%d1%80%d0%be%d0%bd%d0%bd%d0%b8%d0%b9-%d0%b6%d1%83%d1%80%d0%bd%d0%b0%d0%bb-%d1%81%d1%82%d0%b0%d1%82%d0%b5%d0%b9-%d1%87%d0%bb%d0%b5%d0%bd%d1%96%d0%b2-%d0%b0%d0%bf%d1%83/>

<https://www.apu.com.ua/2021/03/10/%D0%BF%D1%80%D0%B5%D0%B7%D0%B5%D0%BD%D1%82%D0%B0%D1%86%D1%96%D0%B9%D0%BD%D1%96-%D0%BC%D0%B0%D1%82%D0%B5%D1%80%D1%96%D0%B0%D0%BB%D0%B8/>

<https://www.apu.com.ua/2019/11/12/%d0%bc%d0%b0%d1%82%d0%b5%d1%80%d1%96%d0%b0%d0%bb%d0%b8-%d0%b7%d0%b0%d1%85%d0%be%d0%b4%d1%96%d0%b2-%d0%b0%d0%bf%d1%83/>

The AChU constantly organizes activities for the practical application of IFRS, ISA and the International Code of Ethics. The events are attended by an average of 400 auditors. Any auditor and anyone interested can watch such events in the recording, which is posted on the AChU YouTube channel.

<https://www.apu.com.ua/2020/06/12/%D0%B7%D0%B0%D0%BF%D0%B8%D1%81%D0%B8-%D0%B7%D0%B0%D1%85%D0%BE%D0%B4%D1%96%D0%B2-%D0%B0%D0%BF%D1%83/>
https://www.youtube.com/results?search_query=%D0%B0%D1%83%D0%B4%D0%B8%D1%82%D0%BE%D1%80%D1%81%D1%8C%D0%BA%D0%B0+%D0%BF%D0%B0%D0%BB%D0%B0%D1%82%D0%B0+%D1%83%D0%BA%D1%80%D0%B0%D1%97%D0%BD%D0%B8

The AChU 's Scientific and Methodological Council develops general practices on the application of ISAs and the AChU's Council periodically prepares information reports on certain aspects of ISAs. All these materials are posted on the AChU website and are available in the personal electronic account of the AChU's members.

<https://www.apu.com.ua/2019/10/07/%d0%ba%d0%be%d0%bd%d1%81%d1%83%d0%bb%d1%8c%d1%82%d0%b0%d1%86%d1%96%d1%97-%d1%82%d0%b0-%d0%ba%d0%be%d1%80%d0%b8%d1%81%d0%bd%d0%b0-%d1%96%d0%bd%d1%84%d0%be%d1%80%d0%bc%d0%b0%d1%86%d1%96%d1%8f/>

Action Steps:

#	Start Date	Actions	Completion Date	Responsibility	Resource
<i>Adoption/Supporting Adoption of ISA (See SMO Action Plan Update Explanatory Note for examples of possible actions)</i>					
1	Ongoing	Using the translated IAASB provisions:	Ongoing	AChU's Board	AChU's Board, QCC employees, practitioners
2	Ongoing	Promoting the translated standards in seminars, conferences and other professional events organized by the AChU at national level	Ongoing	AChU's Board	AChU's Board, practitioners, Secretariate
<i>Support Implementation of Auditing Standards (See SMO Action Plan Update Explanatory Note for examples of possible actions)</i>					
3	Ongoing	Publishing a series of articles and case studies on the AChU website, holding seminars for members regarding new applicable standards.	Ongoing	AChU's Board	AChU's Board, QCC employees, practitioners
	April 2020	Webinar on Auditors reporting according ISAs	April 2020, completed	AChU's Board	AChU's Board, members
	May 2020	Webinar on Materiality in audit	May 2020	AChU's Board	AChU's Board, QCC employees
	June 2020	Webinar on Professional Skepticism in audit of financial statements	June 2020, completed	AChU's Board	AChU's Board, PAOs, members
	September 2020	Webinar on Audit Sampling	September 2020, completed	AChU's Board	AChU's Board, members

4	Ongoing	Review changes in IAASB Pronouncements and update the curricula for professional education and training programs	Ongoing	AChU's Board	AChU's Board
5	Ongoing	Analyzing, during the QA reviews, areas covered by the IAASB Pronouncements where the auditors or AEs encounter difficulties for planning events for members	Annually	AChU's Board	AChU's Board, QCC
6	Ongoing	Developing forms of cooperation with higher education institutions and international projects for developing the profession	Ongoing	AChU's Board	Secretariat
7	Ongoing	Exchange of experience and information with national, European and non-European professional bodies for supporting the ISAs, the IESBA Code of Ethics and the IAASB Pronouncements	Ongoing	AChU's Board	AChU's Board, Secretariat
8	Ongoing	To hold regular discussions for members on the ISAs matters	Monthly	AChU's Board	AChU's Board, Secretariat
	October 2019	Meeting-discussion on the topic "Problematic issues of ISA in the context of the Auditors reporting"	October 2019, completed	AChU's Board	AChU's Board, members
	November 2019	Meeting-discussion on ISA 210, Agreeing the Terms of Audit Engagements and requirements of the Law on audit	November 2019, completed	AChU's Board	AChU's Board
	December 2019	Meeting-discussion on Requirements for the audit of financial statements according IAASB Handbook 2016-2017	December 2019, completed	AChU's Board	AChU's Board

	April 2021	Video-conference: Identifying and Assessing the Risks of Material Misstatement through Understanding the Entity and Its Environment	April 2021, completed	AChU's Board	AChU's Board, members
	May 2021	Web-discussion " Substantive analytical procedures and tests of controls"	May 2021, completed	AChU's Board	AChU's Board
9	Ongoing	Inform members about IAASB publications on the AChU website and social media groups	Ongoing	AChU's Board, Secretariat	AChU's Board
<i>Contributing to International Standard-Setting (See SMO Action Plan Update Explanatory Note for examples of possible actions)</i>					

Action Plan Subject: SMO 4– the International Code of Ethics for Professional Accountants (including International Independence Standards)

Action Plan Objective: Continue to use best efforts to maintain ongoing process to adopt and implement the International Code of Ethics for Professional Accountants (including International Independence Standards)

Background:

The legal framework for the Ethical requirements for auditors is the Law on audit № 2258-VIII. The Law on audit includes the IESBA Code to the professional standards mandatory for application and compliance in Ukraine. Auditors and AEs are required to comply with norm of professional conduct, respect for the priority of the public interest, common standards of morality, principles of independence and objectivity, professional competence, confidentiality professional secrecy.

The AChU adopted the IESBA Code in April 2003 as the National Code of Ethics for the audit profession. The Code of Ethics is mandatory for application by all auditors and is applied by other professional accountancy organizations in Ukraine.

Before 2018 translation of the IESBA Code into national language is carried out by the Ukrainian Federation of Professional Accountants and Auditors (UFPAA). After 2018 under the Law on audit 2017 the MoF is responsible for translation and publishing the IESBA Code. The most recent version of the International Code of Ethics for Professional Accountants (including International Independence Standards) has been translated by the MoF in February 2021 and is currently being applied by all professional accountants. The AChU encourage and promote application of the International Code of Ethics for Professional Accountants (including International Independence Standards) to its members as well as monitors its compliance. Failure to comply with ethical standards is considered a disciplinary offense and results in disciplinary actions.

In December 2021, the AChU has held an International conference devoted to Ethical issues, which was attended by a member of the IFAC Ethics Committee. He spoke about the latest changes in the International Code of Ethics.

Now the AChU has no additional ethical requirements for its members, except the International Code of Ethics. However, the AChU is still discussing about the adoption of a Code of behavior for AChU members.

The AChU is actively cooperating with HIED institutions, including the collaboration in creating the curricula for future accountants and auditors to ensure that professional ethics is included within in education process. Joint events and meetings with teachers and students are held.

A textbook for students "Professional Ethics for Accountants", co-authored by AChU members – university professors, is currently being prepared for publication. It will be recommended for higher education institutions.

Action Steps:

#	Start Date	Actions	Completion Date	Responsibility	Resource
<i>Adoption/Supporting Adoption of IESBA Code of Ethics (See SMO Action Plan Update Explanatory Note for examples of possible actions)</i>					
1	April 2003	Adoption of the IESBA Code for the audit profession. Developing measures to ensure effective implementation of the Code of Ethics. Monitoring compliance with the Code by auditors and AEs	Ongoing	AChU and QCC	Board, QCC employees
<i>Support Implementation of IESBA Code of Ethics (See SMO Action Plan Update Explanatory Note for examples of possible actions)</i>					
2	Ongoing	Informing AChU members on the latest version (translation) of the International Code of Ethics for Professional Accountants (including International Independence Standards)(2019)	Ongoing	Secretariat	AChU employees
3	Ongoing	Provide auditors with the information on ethics issues related to actual global or national trends. Include relevant subjects in CPD program (ref SMO 2)	Ongoing,	Board	Practitioners, Board, AChU employees
4	Ongoing	Compliance with ethical requirements is a subject of QA reviews (ref SMO 1) and a consideration when investigating complaints (ref SMO 6).	Ongoing	AChU and QCC	QCC employees
5	October 2020	The AChU & UFPAA joint event Forum – “Professional Ethics in Action”	October 2020, completed	AChU’s Board, the UFPAA	AChU’s Board, Secretariat, Practitioners

#	Start Date	Actions	Completion Date	Responsibility	Resource
6	Ongoing	To hold regular discussions for members on ethics	Quarterly	AChU's Board	AChU's Board, PAOs, Practitioners, High School
7	Ongoing	Electronic journal of articles of AChU members	Ongoing	Secretariat	Members
8	Ongoing	Inform members about IESBA publications on the AChU website and social media groups	Ongoing	AChU's Board, Secretariat	AChU's Board
9	November 2021	Hold the international conference AChU, APOB, EU-FINSTAR "Public Oversight by auditing activities in Ukraine: experience and prospects»	November 2021	AChU's Board	AChU's Board, APOB, EU-FINSTAR, members
10	December 2021	International online conference "Professional ethics in audit - as a guarantee of public interest"	December 2021	AChU's Board	AChU's Board, EU-FINSTAR, ACCA, UFPAA, members
<i>Contributing to International Standard-Setting (See SMO Action Plan Update Explanatory Note for examples of possible actions)</i>					

#	Start Date	Actions	Completion Date	Responsibility	Resource

Action Plan Subject: SMO 5–International Public Sector Accounting Standards and Other Pronouncements Issued by the IPSASB
Action Plan Objective: Promoting the use of IPSASs in Ukraine

Background:

Public Sector accounting standards are not within the scope and function of the AChU. The MoF is responsible for adopting public sector accounting standards. IPSAS not adopted. The national accounting standards for public sector are developed by the MoF based on IPSAS, but, according to World Bank experts, they require clarification in the light of changes to international standards, as well as development of new standards. Cabinet of Ministry Strategy and Action plan on modernizing of accounting and financial reporting system in public sector 2018 – 2025 provides translation into Ukrainian of IPSAS, development of national regulations (standards) public sector based on international standards and amending national regulations (standards) in connection with changes in international standards and changes in national law.

The AChU is promoting IPSASs through policy dialogues with MoF and other stakeholders. At this time the AChU cannot do any further activities then promoting and raising awareness about IPSAS.

Action Steps:

#	Start Date	Actions	Completion Date	Responsibility	Resource
<i>Adoption/Supporting Adoption of IPSAS (See SMO Action Plan Update Explanatory Note for examples of possible actions)</i>					
1	Ongoing	Perform policy dialogues and create awareness, promote the use of the IPSASs among the members and Government institutions through presentations and meetings with the MoF and the State Audit Service of Ukraine	Ongoing	AChU's Board	the AChU's Board, MoF, State Audit Service
<i>Support Implementation of International Public Sector Accounting Standards (See SMO Action Plan Update Explanatory Note for examples of possible actions)</i>					
2	Ongoing	Continue to identify opportunities to further assist in implementation of IPSASs. This includes review of the existing activities and preparation of the Action Plan for future activities where necessary, this includes future consideration for including IPSASs in the education programs (IPD and CPD).	Ongoing	AChU's Board	AChU's employees (Secretariat)
3	Ongoing	Electronic journal of articles, publications, monographs of the AChU members, scientists on accounting and auditing in the public sector	Ongoing	Secretariat	Members

#	Start Date	Actions	Completion Date	Responsibility	Resource
4	Ongoing	Informing of the AChU members about adoption and implementation of IPSASs in Ukraine	Ongoing	AChU's Board	AChU's Board
<i>Contributing to International Standard-Setting (See SMO Action Plan Update Explanatory Note for examples of possible actions)</i>					

Action Plan Subject: SMO 6—Investigation and Discipline
Action Plan Objective: Continue to use best efforts and further improve AChU's investigation and disciplinary system

Background:

The Law on audit № 2258-VIII, article 42-45,47 sets legal foundation for I&D system of auditors. AChU under APOB's oversight conducts disciplinary proceedings as to auditors and AEs except AEs authorized to conduct statutory audits of the financial statements of PIEs. APOB is responsible for disciplinary proceedings as to AEs authorized to conduct statutory audits of the financial statements of PIEs.

The reason for bringing an auditor and AE to professional responsibility is their professional misconduct. The professional misconduct of an auditor and AE is: the failure or improper performance of their professional duties; failure to comply with the independence requirements of the audited entity; violation of international auditing standards; the evasion of the AE from QA review and/or non-compliance with the recommendations given on the results of the QA review; violation of the requirements of the Law regarding completeness, reliability and timeliness of submission of information about the auditor and the subject of audit activity for publication in the Register; violation of other obligations stipulated by the Law.

Everyone who is aware of the facts of such actions that could be a marker of professional misconduct has the right to apply to the Supervisory Board of Audit Activities and/or the Audit Chamber of Ukraine with a statement (complaint) regarding the actions of the auditor or audit entity, which may be a reason for professional responsibility.

The AChU's Board use "complaints-based" approach to investigation and discipline. The QCC performs investigations through QCC staff (inspectors). Disciplinary measures are proposed by the QCC and adopted by the Board.

Sanctions are ranked from warning, suspension of the right to provide statutory audits to fine and exclusion of the auditor or AE from the Register (loss of practice rights and exclusion from membership).

The I&D system in general comply with the requirements of SMO 6 (revised 2012).

The AChU receives information on audit violations from various sources, such as:

- Complaints from regulatory authorities;
- Complaints from customers of audit services;
- Appeals of citizens regarding published auditor's reports;
- Results of quality control;
- Periodic verification of the accuracy of information in the Register;
- Appeals from auditors

After the AChU receives information about a possible violation, it is checked for authenticity and only then a disciplinary case can be opened.

Disciplinary proceedings for 2019-2021

		2019	2020	2021
1.	Number of disciplinary cases	31	34	60
1.1.	Complaints from the SEC		14	6
1.2.	Complaints from the National bank			1
1.3.	Complaints from the APOB	27	1	2
1.4.	Complaints from clients	2	5	8
1.5.	Complaints from colleagues	2		
1.6.	Submission of the quality control committee		14	19
1.7.	Submission of the Secretariat			24
2.	Results of disciplinary proceedings			
2.1.	Closed	2	1	10
2.2.	Warning	22	25	43
2.3.	Suspension of the right to conduct a statutory audit	7	7	6
2.4.	Exclusion from the Register			1

Self-Assessment against the Main Requirements of SMO 6

1. Requirements	Y	N	Partially	Comments
2. Scope of the system	X			The Law on audit, Article 45

1. Requirements	Y	N	Partially	Comments
1. A system of investigation, discipline and appeals exists for the accountancy profession. The system is operational.				
2. Information about the types of misconduct which may bring about investigative actions is publicly available.	X			The Law on audit, Article 42 and 44
3. Initiation of Proceedings 3. Both a "complaints-based" and an "information-based" approach are adopted.	X			The Law on audit, Article 42
4. Link with the results of QA reviews has been established.	X			The Law on audit, Article 40 and 42
4. Investigative process 5. A committee or similar body exists for performing investigations.	X			The Law on audit, Article 45. Verification of the information specified in the statements (complaints) received at the AChU is carried out by the QCC. Verification of the information specified in the statements (complaints) received at the Supervisory Board is carried out by the Inspection.
6. Members of a committee are independent of the subject of the investigation and other related parties.	X			If a committee member is not fully independent from the subject of investigation he/she is removed from the committee until the investigation is over.
5. Disciplinary process 7. A separate disciplinary committee/entity exists to make disciplinary decisions on referrals from the investigation committee.	X			Decisions on the results of disciplinary proceedings related to the auditors and AEs (except AEs that entitled to perform statutory audits of PIEs) are made by the Board of the AChU. Decisions on the results of disciplinary proceedings related to the AEs that entitled to perform statutory audit of PIEs) are made by the Supervisory Board
8. Members of the committee/entity include professional accountants as well as non-accountants.		X		The Law on audit, Article 49. Members of the Board are the auditors elected on the Congress of the auditors.

1. Requirements	Y	N	Partially	Comments
9. The tribunal exhibits independence of the subject of the investigation and other related parties.	X			Disciplinary proceedings are conducted on a competitive basis. Professional responsibility hearings are open.
6. Sanctions 10. The disciplinary system allows imposing an extensive range of penalties. It is particularly important to include (a) loss of professional designation; (b) restriction and removal of practicing rights; and (c) exclusion from membership.	X			When committing a professional misconduct, one of the following charges may apply to the auditor and AE: 1) a warning requiring auditor and AE responsible for the breach, terminate inappropriate conduct or remove the breach and refrain from any such repeated action; 2) suspension of the right to provide statutory audit of financial statements for a period of one month to three years; 3) official statement of the AChU on non-compliance of the auditor's report with the requirements of the Law; 4) imposition of a fine on the auditor or AE; 5) exclusion of the auditor or AE from the Register.
7. Rights of representation and appeal 11. A third appeals body exists which is separate from both the disciplinary committee and investigative committee.	X			Auditor or AE or the person who has raised the issue of professional responsibility of the auditor or AE has the right to appeal the decision in a disciplinary case to court. The decision of the AChU's Board may be appealed to the Supervisory Board.
8. Administrative Processes 12. Timeframe targets for disposal of all cases are set.	X			Timeframe for disposal of all cases according to the Law on audit is within 60 calendar days after start of proceeding.
13. Tracking mechanisms to monitor progress in investigation and discipline and related procedures are established.	X			Regular reports are given to the Board.
14. Records of investigations and disciplinary processes are established.	X			The Secretariat registers and records all complaints and appeals, as well as disciplinary cases.

1. Requirements	Y	N	Partially	Comments
9. Public Interest Considerations 15. Activities are supported to ensure that the public is aware that an investigative and disciplinary system exists in the jurisdiction.	X			
16. A process for the independent review of complaints on which there was no follow-up is established.	X			
17. The results of the investigative and disciplinary proceedings are made available to the public.	X			According to the article 44 the Law on audit the results of the investigative and disciplinary proceedings shall be published on the APOB web-site and AChU's web-site within 3 days after decision imposing penalties was made and shall be available within 5 years.
10. Liaison with Outside Bodies 18. There is an appropriate process for liaison with outside bodies on possible involvement in serious crimes and offences.	X			As a result of disciplinary proceedings, the Supervisory Board or the Board of the AChU decides to bring the auditor or the AE to professional responsibility for committing a professional misconduct and/or notifying law enforcement agencies, or to close disciplinary proceedings.
11. Regular review of implementation and effectiveness 19. Regular review of implementation and effectiveness of the system are performed and corrective actions are implemented.	X			

Action Steps:

#	Start Date	Actions	Completion Date	Responsibility	Resource
<i>Establishing/Supporting the Establishment of I&D (See SMO Action Plan Update Explanatory Note for examples of possible actions)</i>					
1	September 2019	Introduction of I&D mechanism to AChU's members and building members'awareness of the existing I&D process.	Ongoing	AChU's Board, QQC	AChU's Board, QQC, Secretariat
2	September 2019	Commence I&D process.	Ongoing	AChU's Board, QQC	AChU's Board, QQC, Secretariat
<i>Support Implementation of I&D (See SMO Action Plan Update Explanatory Note for examples of possible actions)</i>					
3	Ongoing	Hold regular meeting-discussioni with members on compliance and professional responsibility	Ongoing	AChU's Board	AChU's Board, QQC, Secretariat
	September 2019	Meeting-discussion on the topic "Professional misconduct through the prism of disciplinary proceedings"	September 2019, completed	AChU's Board	AChU's Board, QQC

Action Plan Subject: SMO 7–International Financial Reporting Standards and Other Pronouncements issued by the IASB
Action Plan Objective: Continue to use best efforts to maintain and continuously improve an ongoing program for adoption and implementation of IFRS

Background:

Suggested Content:

The Law of Ukraine “On Accounting and Financial Reporting in Ukraine” of July 16, 1999 № 996-XIV, entered into force January 1, 2000, specifies accounting standards to be applied in Ukraine – the National Accounting Regulations (Standards) except for entities that, in accordance with the law, prepare financial statements according to International Financial Reporting Standards and National Accounting Regulations (Standards) in the Public Sector.

By law, the MoF is the official standard-setting body.

PIEs (listed entities, banks, insurers, non-state pension funds, other financial institutions (except other financial institutions and non-state pension funds that are SMEs) and entities belong to large enterprises), public joint-stock companies, entities in mining industries, are required to use IFRS. Entities operates in provision of financial services, except insurance and pension funding; non-state pension insurance; subsidiary activities in the field of financial services and insurance are required to use IFRS.

Other entities can voluntary apply the IFRS.

IFRS were adopted in Ukraine and became mandatory for relevant entities as of January 1, 2012. Standards to be applied are those translated into national language and formally published on the official website of the MoF of Ukraine. Version that has been translated and is currently being applied – IFRS 2020. All SMEs (as defined in the IFRS for SMEs Standard) are permitted to use the IFRS for SMEs Standard under paragraph 1, part 4, of National Standard N1. Alternatively they may use full IFRS Standards or Ukrainian Accounting Standards.

The AChU has no legal responsibility for adoption and implementation of the IFRS, IFRS for SME or other accounting rules according to SMO 7.

Action Steps:

#	Start Date	Actions	Completion Date	Responsibility	Resource
<i>Adoption/Supporting Adoption of IFRS (See SMO Action Plan Update Explanatory Note for examples of possible actions)</i>					
1	Ongoing	Assist and support for AChU members with technical tools regarding public disclosure of audited financial statements.	Ongoing	AChU’s Board	AChU’s Board, practitioners

#	Start Date	Actions	Completion Date	Responsibility	Resource
2	Ongoing	Cooperation with the MoF, AC and PAOs in inclusion the IFRS in the curricula for the CPD (ref SMO 2).	Ongoing	AChU's Board	AChU's Board, practitioners
3	September 2019	Provide regular updates to the members about new and revised standards issued by the IASB. Organize regular meetings with audit firm representatives on the subject of changes made by IASB.	Ongoing	AChU's Board	AChU's Board, practitioners
	September 2019	meeting-discussion on the topic "Typical mistakes in the preparation of IFRS financial statements"	October 2019, completed	AChU's Board	Members
	December 2019	meeting-discussion on the topic "Problematic issues of application of IFRS 16 "Leases"	December 2019, completed	AChU's Board	Members
	April 2020	web discussion on the peculiarities of disclosures in the IFRS financial statements for 2019	April 2020, completed	AChU's Board	Members
	June 2020	web discussion "New Conceptual Framework for Financial Reporting"	June 2020	AChU's Board	Members
	March 2020	web discussion "First IFRS Financial Statements. Features of the audit "	March 2020	AChU's Board	Members
	April 2020	web discussion "Consolidated financial statements"	April 2020	AChU's Board	Members

#	Start Date	Actions	Completion Date	Responsibility	Resource
	February 2022	web discussion "Notes to IFRS reporting: requirements and typical breach"	February 2022	AChU's Board	Members
<i>Support Implementation of IFRS (See SMO Action Plan Update Explanatory Note for examples of possible actions)</i>					
4	November 2019	Hold regular meetings-discussions for members on the IFRS and financial statements under IFRS	Ongoing	AChU's Board	AChU's Board
	April 2020	web discussion on "Typical mistakes in preparing financial statements in accordance with IFRS"	April 2020, completed	AChU's Board	AChU's Board, members
	March 2021	web discussion "Preparation and submission of financial statements in iXBRL format"	March 2021, completed	AChU's Board	AChU's Board, members
5	November 2019	Participate in and provide information support to the National Securities and Stock Market Commission activities of on new financial reporting procedure based on UA XBRL IFRS Taxonomy	January 2020	AChU's Board	AChU's Board, Practitioners, Secretariat
<i>Contributing to International Standard-Setting (See SMO Action Plan Update Explanatory Note for examples of possible actions)</i>					