

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's or Associate's to fulfill the 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](#).

Use of Information

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

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.

ACTION PLAN

IFAC Member : Institut Akuntan Publik Indonesia/Indonesian Institute of Certified Public Accountants (IAPI)
Original Publish Date: August 2011
Last Update: December 2023
Next Update: December 2026

IFAC’s Summary Assessment: IFAC staff will complete this section at the conclusion of each SMO Action Plan review and update process. PAOs are encouraged to take staff’s recommendation into consideration as part of future strategic planning conversations at the PAO.

For more information on [IFAC Member Compliance Program](#) and the legends used to describe the status of adoption of international standards, best practices, and fulfillment of SMO requirements, please refer to the Status of Adoption [methodology](#) and SMO Fulfillment [methodology](#).

FOR IFAC COMPLETION	IAPI Level of Responsibility for Adoption	Adoption Status as of 2023	Level of SMO Fulfillment as of 2023
QA / SMO 1	Shared	▲ Partially Adopted	■ Review & Improve
IES / SMO 2	Shared	■ Adopted	■ Sustain
ISA / SMO 3	Direct	▲ Partially Adopted	■ Review & Improve
IESBA / SMO 4	Shared	▲ Partially Adopted	■ Review & Improve
IPSAS / SMO 5	No Direct	▲ Partially Adopted	■ Sustain
I&D / SMO 6	Shared	▲ Partially Adopted	■ Sustain
IFRS / SMO 7	No Direct	▲ Partially Adopted	■ Sustain

GLOSSARY

BPK	Badan Pemeriksa Keuangan (The Supreme Auditor Board)
CPA	Certified Public Accountants
CPD	Continuing Professional Development
CPE	Continuing Professional Education
DKP	Dewan Kehormatan Profesi (Appeal Committee)
DRM	Dewan Reviu Mutu (QA Board)
DSAK	Dewan Standar Akuntansi Keuangan (Indonesian Financial Accounting Standards Board)
DSPAP	Dewan Standar Profesi Akuntan Publik (Public Accountant Profession Standard Board)
GAAP	Generally Accepted Accounting Principle
I & D	Investigation and Discipline
IAASB	International Auditing and Assurance Standards Board
IAI	Ikatan Akuntan Indonesia (The Indonesian Institute of Accountants)
IAESB	International Accounting Education Standards Board
IAPI	Institut Akuntan Publik Indonesia (The Indonesian Institute of CPA)
IES	International Education Standards
IESBA	International Ethics Standards Board for Accountants
IFAC	International Federation of Accountants
IFRS	International Financial Reporting Standards
IPSAS	International Public Sector Accounting Standards
ISA	International Auditing Standards
ISQC	International Standards on Quality Control
KDI	Komite Disiplin & Investigasi (Discipline & Investigation Committee)
KERPPA	Committee on Evaluation and Recommendation of Professional Accounting Education
KSAP	Komite Standar Akuntansi Pemerintah (The Indonesian Government Accounting Standards Committee)
MoF	Ministry of Finance
OJK	Otoritas Jasa Keuangan (The Finance Service Authority)
PMK	The Minister of Finance Regulation
PPPK	The Center for Supervision of Financial Profession MoF (replacing PPAJP)
PRM	Pelaksana Reviu Mutu (QA Reviewer)
PSAK	Pernyataan Standar Akuntansi Keuangan (Indonesian Financial Accounting Standards)
SPM	Quality Assurance Standards
SRA	State Registered Accountant
QR	Quality Review

Action Plan Subject: SMO 1 and Quality Assurance (QA)

Action Plan Objective: Further Development of the Quality Assurance Review System

No.	Starting Date	Actions	Completion Date	Responsibility	Resource
<p>Background:</p> <p>Referring to QA review system in our jurisdiction, we believe that a mandatory QA review system is in place. The system covers all practising public accountants (with their firms) in Indonesia. It is aimed to ensure that all members of IAPI have complied with professional standards; and all members have designed and operated (implemented) systems of quality assurance which meet the Indonesian regulator’s minimum requirement.</p> <p>Under article 44 of the Public Accountant Law No. 5 Year 2011, IAPI is given a mandate to conduct nation-wide QA reviews for all of its members.</p> <p>Generally, there are 2 (two) bodies that are responsible for conducting QA review activities on the works of public accountants practicing in Indonesia, namely PPPK (replacing PPAJP) representing the Minister of Finance of the Republic of Indonesia and IAPI (the Indonesian Institute of CPA).</p> <p>Although they appear similar, the objectives and approaches are different. QA review activities performed by PPAJP are mainly performed for monitoring and supervisory purposes. The focus of the activities is the working papers related to audit engagements done by the public accountants who are being reviewed, whether or not they support the engagements and comply with the professional (auditing and accounting) standards.</p> <p>Whereas, the activities performed by IAPI are mainly done for constructive development purposes on the quality of the audit engagement system performed by members of IAPI. The QA review activities then, are focused on the design and on the implementation of quality assurance guidance developed by each member’s firm. The audit engagement’s working papers are reviewed, on sample basis, to see their level of implementation of the QA guidance (Quality Assurance Standards (SPM)) established by the firm.</p> <p>Besides the Public Accountant Law No. 5 Year 2011, QA reviews are also regulated in the Decree of Minister of Finance (PMK) No. 154/2017. Certain things, such as the obligation for each firm to develop its own QA guidance, recording audit hours and so on are included in the regulation.</p>					

No.	Starting Date	Actions	Completion Date	Responsibility	Resource
<p>Based on the Capital Market Law No 8/1995, specific IAPI members who have performed audit engagements for listed companies are also subject to be QA-reviewed by the Finance Service Authority (OJK).</p> <p>Likewise, the Supreme Audit Board (BPK) has been given an authority by the State Finance Law No. 17/2003 and by the BPK Regulation No. 1/2008, to review the works performed by IAPI members if those members conduct audit engagements, on behalf of BPK, on public sector entities (state-owned enterprises for instance).</p> <p>Referring to the QA review system with the requirements of SMO 1, we acknowledge that we have complied with the following requirements in full:</p> <ul style="list-style-type: none"> • Scope of QA review sytem • Quality control standards and other quality control guidance • Review cycle • QA review team • Reporting • Corrective and disciplinary actions • Consideration of public oversight • Regular review of implementation and effectiveness <p>The last area that has been complied is the consideration of public oversight. Since November 2017, the new QA board has included a member from PPPK, the Minister of Finance. Every QA review activity will be informed to PPPK.</p> <p>The overview of past and planned actions undertaken is elaborated below.</p>					
<p><i>Review and Update Quality Review (QR) Guidelines</i></p>					

No.	Starting Date	Actions	Completion Date	Responsibility	Resource
1.	September 2007	<p>DRM/PRM shall review QR Guidelines to amend/update them in order to comply with the requirement(s) from IFAC.</p> <p>The revised QR Guidelines comprises of the following:</p> <ul style="list-style-type: none"> - Objectives - Timing and Scope - Coverage - Selection and Composition of Review Team - The Approach to be Taken by QR - QR checklists and forms. - Others <p>The policy on qualifications of the Head of DDI (head of field reviewers) is described as follows: an experienced partner in a public accounting firm, possess adequate knowledge in audit methodology, ethics, independence, QR policies and procedures, as well as the prevailing accounting standards.</p> <p>In case IAPI uses outside advisors or an ad- hoc team to perform all or part of the QR tasks, IAPI shall take overall responsibility for the program and will ensure it meets the requirement of the QR Guidelines.</p>	December 2008, May 2012 and April 2015 Completed	Direct DRM and PRM	Internal resources

*Action Plan Developed by
The Indonesian Institute of CPA (Institut Akuntan Publik Indonesia–IAPI)*

No.	Starting Date	Actions	Completion Date	Responsibility	Resource
2.	December 2008	The IAPI caretakers shall approve the revised guidelines in their meeting.	December 2008 Completed	Direct IAPI caretakers	Internal resources
3.	December 2008	IAPI shall enhance and update the reviewers' skill and knowledge by having them participate in appropriate and relevant training programs.	January 2010 Completed This initiative will be ongoing hereafter	Direct PRM	Internal resources
4.	December 2008	Start the recruitment and selection process for the Head and members of DDI. Since March 2009, IAPI has recruited the Head of PRM, an experienced audit partner with CPA qualification.	March 2009 Completed	Direct DRM	Internal resources

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5.	March 2009	Continue to ensure that the IAPI's QR program operates effectively and is consistently in line with IFAC requirements (SMO1). This includes periodic reviews on the operations of the QR system and updating the Action Plan for future activities where necessary.	January 2011 Completed This initiative will be Ongoing hereafter	Direct DRM and PRM	Internal resources
6.	April 2011	Map the differences and the similarities of QR Guidance, ISQC, Quality Assurance Standards (SPM).	May 2011, May 2012 and April 2015 Completed	Direct PRM	Internal resources
7.	May 2011	Participate in revising IAPI articles of association in relation to Quality Review to comply with the new Public Accountants Law No. 5 Year 2011.	November 2012 Completed	Direct DRM	Internal resources

No.	Starting Date	Actions	Completion Date	Responsibility	Resource
8.	October 2013	Update the existing billing rate for QA activities.	July 2016 Completed	Direct DRM and PRM.	Internal resources
9.	December 2016	Develop a new PAO's regulation concerning QA review. Under which, a self-assessment approach is used to replace the officer assessment approach currently used.	August 2017 Completed	Direct The National Council. DRM	Internal resources
10.	December 2017	Review the current QR Guidance and Procedures. Revise the guidance and procedures as necessary to accommodate the new QA Review regulations.	Ongoing	Direct DRM and PRM.	Internal resources
11.	March 2018	Develop our own database of public accountants profile in Indonesia for quality review sampling purposes.	Ongoing.	Direct PRM	Internal resources
12.	April 2018	Develop a QA review software.	Ongoing.	Direct. PRM	Internal resources

Maintaining Continuous Processes

13.	February 2009	Begin regular quality review process	This will be continuous activities hereafter	Direct PRM	Internal resources
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No.	Starting Date	Actions	Completion Date	Responsibility	Resource
14.	June 2011	Cooperate with the Ministry of Finance (PPAJP division, now PPPK, stands for Pusat Pembinaan Profesi Keuangan or Center for Supervision of Financial Profession) and OJK to share database regarding the current QA review activities in Indonesia and	This will be continuous activities hereafter.	Shared DRM, PPPK and OJK	Shared resources
15.	July 2011	Communicate with the IAPI Board of Professional Standards (DSPAP) in order to ensure the quality assurance standards (SPM) to be in line with quality review guidance and procedures.	August 2011 Completed This will be continuous activities hereafter.	Shared DRM and DSPAP.	Internal resources

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No.	Starting Date	Actions	Completion Date	Responsibility	Resource
16.	May 2011	Enhance and update the reviewers' skill and knowledge.	This will be continuous activities hereafter.	Direct PRM	Internal resources Internal and external training
17.	January 2016	Promote the quality assurance objectives and results to the members of IAPI.	This will be continuous activities hereafter. Ongoing	Shared DRM , IAPI's Education & Training Division and PPPK	Shared resources .
18.	February 2016	Cooperate with PPPK in QA review activities.	This will be continuous activities hereafter.	Shared DRM and PPPK	Shared resources
19.	November 2017	Cooperate with KDI in disciplinary actions due to QA review results.	This will be continuous activities hereafter.	Shared DRM and KDI.	Internal resources
20.	January 2018	Recruit more professional reviewers.	Ongoing	Direct PRM	Internal resources

Action Plan Subject: SMO 2 and International Education Standards (IESs)
Action Plan Objective: Ensure that IAPI Education Requirements Meet the Obligations of SMO2

#	Starting Date	Actions	Completion Date	Responsibility	Resource
<p><i>Background:</i></p> <p>The Indonesian Institute of Certified Public Accountants (IAPI), has a vision that Indonesian public accountants shall have integrity, quality, competency for international standards to promote growth, independence, conducive business environment, and dignity of the CPA profession. IAPI's final aims would then be maintaining public trust, protecting public interest and accountability, as well as encouraging good governance in Indonesia.</p> <p>Accordingly, the Public Accountant Law No. 5 Year 2011 regulates that public accountants shall maintain their professional competence through continuing professional education. On the other hand, the Minister of Finance Regulation states that IAPI is the only Professional Association of Certified Public Accountants.</p> <p>IAPI's articles of association mentions that each IAPI member shall be responsible and liable for following Continuing Professional Development (CPD). The credit unit of CPD activities that must be acquired by every IAPI member is at least 40 (forty) per year, covering several areas of competence, namely:</p> <ul style="list-style-type: none"> a. professional knowledge; b. professional expertise; c. values, ethics, and professional behavior; d. competencies acquired during the professional development and education programs. <p>Every public accountant must submit a report regarding his/her CPD credits acquired during a certain year to the Ministry of Finance before the end of January of the subsequent year. IAPI organizes training programs to enable its members to comply with the CPD requirements.</p> <p>A person who wishes to be a CPA, must pass the CPA exam which consist of three levels , Basic Level Examination is an "entry exam" in Public Accountant Professional Exams. On this level, a candidate will be tested on his/ her ability and basic knowledges in accounting, auditing, finance and business, in compliance with The International Education Standards (IES) 1. The designation for this level is Associate Certified Public Accountant of Indonesia (A-CPA). At this Intermediate level, a candidate will be tested on his/ her knowledge and competence in accounting, auditing, finance, and business, in compliance with IES 2-6. Therefore he/ she will be able to conduct professional problem solving with minimum supervision, and the designation for this level is Certified Public Accountant of Indonesia (CPA). Advanced level is competency assessment for audit partner engagement, in compliance with IES 8. This level is aimed for candidates that wish to have practice license.</p>					

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#	Start Date	Actions	Completion Date	Responsibility	Resource
<i>Continue To Ensure Compliance with SMO 2 Requirements</i>					
1.	Nov 2014	Adopt IES (International Education Standard) for Certified Public Accountants in accordance with the International and Indonesian situation, as well as the needs of Members The Outcome Learning - Based of IES 1, 2, 3, 4, 5, 6, and 8 have been applied in CPA exams and IES 7 has been applied in CPD	This will be continuous activities hereafter	Board of management - Head of CPD	IAPI Staff
2.	Nov 2014	Complete Policy and procedures manual for Continuing Professional Development (CPD) Division, which include: - Standard Operating Procedures - Job description for CPD staff - Key performance indicators for CPD - CPD staff recruitment procedures - Procedure of cooperation with third parties - Documentation procedure - Other necessary procedures	This will be continuous activities hereafter	Board of management - Head of CPD	IAPI Staff
3.	Nov 2014	Review the existing curriculum & syllabus for Public accountant education program for responding to IES, International Auditing Standards (ISA), and updating on issuance of new standards, ethical standards, etc.	This will be continuous activities hereafter	Board of management - Head of CPD and Academics	IAPI Staff

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4.	Nov 2014	<p>Conducting accreditation (in terms of the competencies of auditing and accounting) for the CPA.</p> <p>Provide training to academics in relation to ISA, theory and application and case study learning.</p> <p>Cooperation with universities and other institutions for conducting education, training, instructors or shared facilities.</p>	This will be continuous activities hereafter	Board of management - Head of CPD and Academics	IAPI Staff
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Promotion of Lifelong Learning

5.	Nov 2014	Conduct various technical and non technical CPD relevant to the public accountant profession. CPD events are organized in forms of seminars, workshops, short courses, and conferences.	This will be continuous activities hereafter	Director of CPD	IAPI Staff
6.	Nov 2014	Communicate regularly with members about the CPD requirements and the CPD courses via website, email campaign, IAPI Magazine, brochures and periodical Catalog of training.	This will be continuous activities hereafter	Director of CPD	IAPI Staff

7.	Nov 2014	Facilitate access to CPD opportunities and resources for public accountants, which include organize CPD program throughout the country with the support of IAPI regional coordinators .	This will be continuous activities hereafter	Director of CPD	IAPI Staff
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8.	Nov 2014	Continue to monitor new and revised standards and incorporate them into public accountant education requirements and timely update education course and content to reflect new requirement.	This will be continuous activities hereafter	Board of management - Head of CPD and Audit Standard Board	IAPI Staff
<i>Review of IAPI Compliance Information</i>					
9.	Nov 2014	Perform periodic review of IAPI SMO Action Plan and update section relevant to SMO2 as necessary. Once updated inform IFAC Compliance staff about the updates in order for the Compliance staff to publish the updated information.	This will be continuous activities hereafter	Board of management - Head of CPD	IAPI Staff

Action Plan Subject: SMO 3 and International Auditing and Assurance Standards Board (IAASB) Pronouncements
Action Plan Objective: Establishing and Implementing an Ongoing Convergence Process with IAASB Pronouncements

#	Starting Date	Actions	Completion Date	Responsibility	Resource
<p><i>Background:</i></p> <p>The Indonesian Institute of Certified Public Accountants (“IAPI”) is an association that represents public accountants in Indonesia. IAPI develops professional standards for public accountants in Indonesia (including establishing and implementing the convergence process with IAASB pronouncements) through one of its bodies called Public Accountant Profession Standard Board (“DSPAP”), as governed by Public Accountants Law No. 5 of 2011.</p> <p>IAPI is authorized to set and issue auditing standards for the accountants in public practice. In February 2008, through MoF regulation, IAPI is recognized as the professional public accountant organization. Auditors are required to comply with the Indonesian Public Accountant Professional Standards (<i>SPAP</i>) set by the IAPI.</p> <p>IAPI has adopted and translate all clarified ISAs, ISREs and ISQC 1. Adoption of International Standards on Auditing (ISA) and International Standards on Review Engagement has been effective since January 1, 2013 for audit or review of listed companies and starting January 1, 2014, it is applied to all companies. International Standards on Quality Control (ISQC) 1 has been adopted and implemented into Quality Control Standards 1 (SPM 1) since January 1, 2013. In 2016 IAPI also has adopted and translate ISAEs (except for ISAE 3410 Assurance Engagement on Green House Gas Statement that have not adopted) and all ISRSs. These standards have been effective since July 1, 2017.</p> <p>IAPI Plan is to update its auditing standards in the near future (during the 2017 - 2021 term) to reflect the most current version ISA. The followings are the expected completion dates of the updates:</p> <ol style="list-style-type: none"> a. ISAs – 13 standards will be update which is expected to be completed by 2020 b. ISAEs – 2 standards will be update which is expected to be completed by 2021 c. ISREs – 1 standard will be update which is expected to be completed by 2021 					

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<i>Ongoing Adoption And Implementation of IAASB Pronouncements</i>					
#	Starting Date	Actions	Completion Date	Responsibility	Resource
1.	January 2018	DSP discuss and review the standards that will be updated to the current version.	Completed	DSP IAPI	DSP IAPI
2.	Starting April 2018	Preparing for updating current standards which adopted from IFAC Handbook 2016 or whichever most updated IFAC Handbook at the time of the convergence	Completed	DSP IAPI	DSP IAPI
3.	Starting January 2019	Revision several standards and the final version of the exposure drafts of translated standards are discussed by DSP and submitted to a consultative board within IAPI called Supervisory Board for comments and inputs.	Ongoing	DSP IAPI	DSP IAPI
4.	Starting July 2020	DSP discuss comments and inputs received from Supervisory Board and make necessary amendments, if any, to the exposure draft.	Ongoing	DSP IAPI	DSP IAPI
5.	Starting August 2020	Conduct public exposure of the exposure draft. Public exposure period should be no longer than 90 days according to DSP due	Ongoing comments	DSP IAPI	DSP IAPI

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#	Starting Date	Actions	Completion Date	Responsibility	Resource
6.	Starting October 2020	DSP discusses comments and inputs received from public exposure and make necessary amendments, if any, to the exposure draft.	Ongoing	DSP IAPI	DSP IAPI
7.	Starting October 2020	If necessary, conduct a public hearing or a limited hearing after the exposure period is over.	Ongoing	DSP IAPI	DSP IAPI
8.	Starting December 2020	Final standards are ratified and issued by DSP.	Ongoing	DSP IAPI	DSP IAPI
9.	Starting January 2021	Disseminate the professional standards to public, including members of IAPI. We have done series of training (CPD) for IAPI members and auditing lecturers from university all over Indonesia.	Ongoing	DSP IAPI	DSP IAPI

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#	Starting Date	Actions	Completion Date	Responsibility	Resource
<i>Maintaining Ongoing Processes</i>					
10.	Ongoing	Continue to use best endeavors to maintain ongoing process to adopt and implement IAASB Pronouncements. This includes updating the Action Plan for future activities where necessary. This process also includes disseminating IAASB publications to IAPI members and encourage members to respond to drafts.	Ongoing	DSP IAPI	DSP IAPI
<i>Review of IAPI Compliance Information</i>					
11.	Ongoing	Perform periodic review of IAPI SMO Action Plan and update section relevant to SMO 3 as necessary. Once updated, inform IFAC Compliance staff about the updates in order for the Compliance Staff to publish the updated information.	Ongoing	DSP IAPI	DSP IAPI

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Action Plan Subject: SMO 4 and the International Ethics Standards Board for Accountants (IESBA) Code of Ethics
Action Plan Objective: Align the IAPI Code with the IESBA Code of Ethics

#	Starting Date	Actions	Completion Date	Responsibility	Resource
<i>Background:</i>					
<p>IAPI develops professional standards for public accountants (including the Code of Ethics for Public Accountants - the “Code of Ethics”) in Indonesia (including establishing and implementing the convergence process with IAASB pronouncements) through one of its bodies called the Professional Ethics Committee (“PEC”).</p> <p>In October 2008, IAPI issued the new Code of Ethics, which is effective as of January 1, 2011 and published in Indonesian language. This Code of Ethics was prepared based on the Code of Ethics for Professional Accountants issued by IESBA, as stated in IFAC Handbook – 2008 Edition. The Code of Ethics differs from the IESBA Code in that it covers only public accountants and not professional accountants in business. It also includes a clause related to re-audit.</p> <p>PEC plans to amend the existing Code of Ethics in order to align it with the existing Code of Ethics for Professional Accountants as issued by IESBA (as stated in IFAC Handbook – 2016 Edition) including Non-Compliance with Laws and Regulation (NOCLAR). As of December 28, 2018, IAPI has published Code of Ethics which is effective as of July 1, 2019.</p>					
<i>Ongoing Adoption and Implementation of IESBA Code of Ethics</i>					

#	Starting Date	Actions	Completion Date	Responsibility	Resource
<i>Maintaining Ongoing Processes</i>					
1.	Ongoing	Updating the IESBA Code of Ethics based on IESBA Code of Ethics version 2016.	Completed	Ethics Committee IAPI	Ethics Committee IAPI
2.	Starting August 2018	Conduct public exposure of the exposure draft. Public exposure period should be no longer than 90 days according to PEC due procedures	Completed	Ethics Committee IAPI	Ethics Committee IAPI

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3.	Starting October 2018	PEC discusses comments and inputs received from public exposure and make necessary amendments, if any, to the exposure draft.	Completed	Ethics Committee IAPI	Ethics Committee IAPI
4.	Starting December 2018	Final Code of Ethics are ratified and issued by PEC.	Completed	Ethics Committee IAPI	Ethics Committee IAPI
<i>Review of IAPI Compliance Information</i>					
5.	Ongoing	Perform periodic review of IAPI SMO Action Plan and update sessions relevant to SMO 4 as necessary. Once updated, inform IFAC Compliance staff about the updates in order for the Compliance staff to publish the updated information.	Ongoing	Ethics Committee IAPI	Ethics Committee IAPI

Action Plan Subject: SMO 5 and International Public Sector Accounting Standards (IPSASs)
Action Plan Objective: Use Best Endeavors to Encourage the Introduction of IPSAS in Indonesia

#	Starting Date	Actions	Completion Date	Responsibility	Resource
<p><i>Background:</i></p> <p>The Government of the Republic of Indonesia introduced laws affecting state financial reform, i.e Law No. 17 year 2003 on State Finance, Law No. 1 year 2004 on State Treasury, Law No. 15 year 2004 on Audit of State Financial Management and Accountability, and Law No. 32 year 2004 on Local Government. Major changes introduced by these laws are, amongst others, the obligation of the central as well as local government to present financial statements and consequently, the need of Indonesian Government Accounting Standards as a basis for preparing and presenting such statement.</p> <p>The standards are prepared by the Indonesian Government Accounting Standards Committee (Komite Standar Akuntansi Pemerintah- KSAP), an independent committee that comprises accounting experts from accounting practioners, academics, government practitioners, and so forth. In drafting the standards, the KSAP refers to the International Public Sector Accounting Standards (IPSAS) and adapts them notably to the specific needs and peculiarities of the Government of The Republic of Indonesia in which the accounting basis is adapted from accrual basis to cash towards accrual basis.</p> <p>The Standards are promulgated under Government Regulation No. 24 year 2005, which was revised under Government Regulation No.77 year 2010.</p> <p>IAPI has no responsibility regarding IPSASs/SAPs and their implementation in Indonesia, but since its members varied not only from public accounting firms but also from private and government institutions, IAPI uses best endeavors to promoting IPSASs/SAPs to its members.</p>					

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#	Starting Date	Actions	Completion Date	Responsibility	Resource
<i>Promote the Use of IPSAS</i>					
1.	1st Semester 2015	Profile all IAPI's members or graduated CPA of Indonesia which worked in Government Institution to promote IPSAS's/SAPs	End of Year 2015	Executive Director	IAPI Membership & IAPI Certification Division
2.	Ongoing	Notify members of IPSASs/SAPs document, including exposure drafts and encourage comments.	This will be continuous activities hereafter	Executive Director	IAPI Staff
3.	Ongoing	Publish IPSASs/SAPs on the IAPI's website to promote IPSASs/SPAs	Ongoing	Executive Director	IAPI Staff
4.	Ongoing	Conduct CPD related to Public Sector Accounting Standards (IPSASs/SAPs) and its implementation through seminars, dialogues and workshops.	This will be continuous activities hereafter	Executive Director	IAPI Professional Development Division
<i>Review of IAPI Compliance Information</i>					
5.	Ongoing	Perform periodic review of IAPI SMO Action Plan and update section relevant to SMO 5 and when necessary. Once updated inform IFAC compliance staff about the updates in order for the compliance staff to publish the updated information.	This will be continuous activities hereafter	Executive Director	IAPI Staff

Action Plan Subject: SMO 6 and Investigation and Discipline (I&D)
Action Plan Objective: Strengthen Investigation and Discipline Systems to Meet the Requirements of SMO 6

#	Start Date	Actions	Completion Date	Responsibility	Resource
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Background:

With the prevalence of the Public Accountant Law Number 5 Year 2011 dated May 3, 2011 and the taking over of the disciplinary and investigation functions previously performed by IAPI’s DKP (Dewan Kehormatan Profesi/Profession Judgement Board) and BPD (Badan Penegak Disiplin/Discipline Enforcement Body), KDI has identified the need to review I&D mechanisms and to make necessary revisions to comply with the Public Accountant Law and the IAPI’s latest articles of association. DKP and BPD are no longer in the IAPI’s new structure of organization. Their functions and roles are transferred to KDI.

Article 52 of IAPI’s articles of association provides KDI a mandate to do investigation and disciplinary actions necessary for the purposes to maintain public trust and to protect both public and members of IAPI (or IAPI members) from non-standard practices. This includes professional sanctions that may be charged by KDI to the related IAPI’s members pursuant to their significant non-compliance with professional standards. This same article also gives rights to IAPI members to appeal to Dewan Pengawas (The Supervisory Board of IAPI) if they object to the sanctions issued by KDI.

With the above, it is obvious that there are 2 bodies involved in I&D system within IAPI’s jurisdictions, namely KDI and Dewan Pengawas. Their areas of responsibilities are also described in the previous paragraph.

Besides IAPI, PPPK (replacing PPAJP) also performs I&D activities. In terms of I&D activities, both IAPI and PPPK have the same objectives as described earlier.

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#	Start Date	Actions	Completion Date	Responsibility	Resource
<p>In terms of I&D system, we believe that IAPI has implemented an I&D system that is in line with the following requirements of SMO 6:</p> <ul style="list-style-type: none"> • Scope of the system • Initiation of proceedings • Investigative process • Disciplinary process • Sanctions • Rights of representation and appeal • Administrative process • Regular review of implementation and effectiveness • Reporting and public interest considerations • Liaison with outside bodies <p>The last 2 (two) areas to be complied are as follows:</p> <ul style="list-style-type: none"> • Reporting and public interest considerations • Liaison with outside bodies <p>Since November 2017, IAPI has included a member from PPPK, MoF, in KDI (Discipline and Investigation Committee).</p> <p>Overview of past and planned actions undertaken by IAPI is elaborated below.</p>					
<i>Updating Investigation and Discipline System</i>					
1.	1Q 2009	Review SMO6 and determine the aspects of SMO6 which are absent in I&D programs. Develop a paper proposing the changes to be made in DK.	Completed in June 2009	Direct DKP	Internal Resources
2.	2Q 2009	Promote the changes to the IAPI members and follow up this process.	Completed in June 2009	Direct DKP	Internal Resources

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3.	3Q 2009	Implementing the adopted policies.	Has been implemented since September 2009	Direct DKP	Internal Resources
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#	Start Date	Actions	Completion Date	Responsibility	Resource
4.	May 2011	Participate in revising IAPI articles of association in relation to I&D to comply with the Public Accountants Law No. 5 Year 2011.	June 2013, Completed	Direct DKP	DKP
5.	August 2013	Review and update the existing mechanisms and or procedures as well as related sanctions to comply with the Public Accountant Law No. 5 year 2011 and with the new IAPI's articles of association.	Completed on December 2014	Direct KDI	Internal resources
6.	January 2018	Cooperate with DRM and PPPK, in relation to disciplinary actions and/ or investigation activities regarding QA review or investigation results.	This will be continuous activities hereafter	Shared KDI, DRM, PPPK	Shared Resources
7.	February 2018	Develop a new PAO's regulation to fulfill the new IAPI's articles of association provision regarding: <ul style="list-style-type: none"> - complaint from users (public) and investigation - discipline and sanction 	Complete on August 2018	Direct KDI	Internal Resources
8.	March 2019	Review and improve PAO's regulation as a response to the diversity complaints receive by KDI.	Complete on November 2019	Direct KDI	Internal Resources

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<i>Maintaining Continuous Processes</i>					
9.	August 2013	KDI shall continue handling the complaints reported by the public/society regarding the services rendered by certain practising public accountants and making proper (corrective/defensive) actions for the conducts reported.	This will be continuous activities hereafter	Direct KDI	Internal resources
10.	August 2013	KDI shall continue handling the results of QA review performed by DRM and the non-compliance conducts of the IAPI members with the IAPI's administrative regulations (articles of association etc).	This will be continuous activities hereafter	Direct KDI	Internal resources