

BACKGROUND NOTE ON ACTION PLANS

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

1. The legal and regulatory environment for the profession;
2. The status of adoption of international standards and best practices in the jurisdiction; and
3. The actions of a Member or Associate 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: Den norske Revisorforening (DnR) / The Norwegian Institute of Public Accountants
Approved by Governing Body: Board of Directors
Date Approved: December 2010
Last Update: June 2023
Next Update: June 2027

IFAC's Summary Assessment: 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 Dashboard Reports 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](#).

	PAO Level of Responsibility for Adoption	Adoption Status as of 2023	Level of SMO Fulfillment as of 2023
QA / SMO 1	Shared	 Adopted	 Sustain
IES / SMO 2	No Direct	 Adopted	 Sustain
ISA / SMO 3	Direct	 Adopted	 Sustain
IESBA / SMO 4	No Direct	 Adopted	 Sustain
IPSAS / SMO 5	No Direct	 Not Adopted	 Sustain
I&D / SMO 6	No Direct	 Adopted	 Sustain
IFRS / SMO 7	No Direct	 Adopted	 Sustain

Attestation of SMO Compliance

The **Norwegian Institute of Public Accountants (Revisorforeningen)** has developed an Action Plan to demonstrate how it fulfills the requirements of the SMOs (revised in 2012). The abovementioned [*Governing Body*](#) has reviewed the information contained within the SMO Action Plan and affirms that the **DnR** continues to undertake these and other relevant actions to maintain ongoing compliance and fulfillment of the membership obligations where IFAC's assessments are at *Review & Improve* and/or *Sustain*.

On behalf of the **DnR**, the *Governing Body* endorses the information contained within the SMO Action Plan as of the publication date and its publication on the IFAC website in the interests of transparency and to demonstrate our commitment to enhancing the quality and credibility of the accountancy profession worldwide.

GLOSSARY:

CPD	Continuing Professional Development
CPE	Continuing Professional Education
DnR	Den norske Revisorforening
FSA	Financial Supervisory Authority of Norway
IAASB	International Auditing and Assurance Standards Board
IAESB	International Accounting Education Standards Board
IASB	International Accounting Standards Board
IES	International Education Standard
IESBA	International Ethics Standards Board for Accountants
IFRS	International Financial Reporting Standard
IPSAS	International Public Sector Accounting Standards
ISA	International Standard on Auditing
ISQC	International Standard on Quality Control
QA	Quality Assurance
SME	Small and Medium Enterprises
SMO	Statement of Membership Obligations

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

Action Plan Objective: Maintain Effective and Efficient Quality Assurance Reviews of Our Members

Background

Since 1993, all members of DnR performing statutory audit and their audit firms has been subject to mandatory quality review. In 2009, a statutory requirement on quality review for all firms of state authorized and registered public accountants was introduced.

The Quality Assurance (QA) as required in SMO 1 and in the EU Directive on Statutory Audit is taken care of by the governmental quality review system organized by the Financial Supervisory Authority of Norway (FSA). The FSA is responsible for public oversight of statutory auditors and audit firms in Norway.

Since January 2010, the QA reviews of audit firms who audits public interest entities (PIE) are being conducted by full-time publicly employed inspectors from the FSA. QA reviews of audit firms without PIE-clients are organized by DnR on behalf and under scrutiny of the FSA. The QA reviews are conducted by experienced statutory auditors engaged by DnR. The quality assurance reviews include systems of quality control at the firm level and audit engagement and other assurance engagements. Engagements are chosen for review based on stakeholder interest and risk factors, combined with a degree of random selection. DnR has reviewed the revised SMO 1 requirements from 2012 and found that the new requirements therein have been properly addressed in the Norwegian QA system.

The International Standards on Quality Management (ISQM 1 and ISQM 2) and the International Standards on Auditing (ISA) 220 have been adopted in Norway. DnR provides training for and technical information to all its members on the most significant and frequent issues identified during reviews of auditors and audit firms. Further DnR requires all our QA inspectors to annually attend a technical training program. Experiences from QA reviews are published in annual reports by DnR and FSA and conveyed to members through newsletters, magazine articles, CPD-courses and the major DnR member conferences. In 2021 DnR released guidance material intended for SMPs on implementation of statutory requirements on quality management and of ISQM 1 and 2. The guidance is tailored for SMPs in Norway as a supplement to the guidance from the IAASB.

Further information is provided in Annex I on fulfilment of SMO 1 requirements.

	Start Date	Actions	Completion Date	Responsibility	Resource
Maintaining Ongoing Processes					
1.	Ongoing	Maintain co-operation with the FSA on ensuring effectiveness of the statutory quality review for all firms of state authorized and registered public accountants, including focus areas for the QA reviews based on recent developments and experience from previous reviews.	Ongoing	QA committee, CEO	Quality control manager, technical staff
2.	Ongoing	Annual technical training program for QA reviewers. Annual QA reviewer conference.	Ongoing	QA committee, CEO	Quality control manager
3.	Ongoing	Perform necessary updates to the QA review program, and distribute annually to all members included in the QA program.	Ongoing	Board, QA committee, CEO	Quality control manager
Review of DnR's Compliance Information					

4.	2016	Perform updated review of revised SMO 1 and DnR's SMO Action Plan and incorporate any necessary changes.	2017 (completed)	Board, CEO	Technical staff
5.	2021	Translation and implementation of ISQM 1 and 2	Completed 2022	Audit Standard Committee	Technical staff
6.	2021	National guidance material for SMPs on implementation of statutory requirements on quality management and of ISQM 1 and 2	Completed 2021	CEO	Technical staff

Action Plan Subject: SMO 2 - International Education Standards (IESs)

Action Plan Objective: Communicate IES Requirements to the Stakeholders in Accounting Education

Background

State Authorized Public Accountant (SPA) are approved based on a master's degree in auditing and accounting and three years of relevant practical training. SPA-approval is necessary to act as statutory auditor in Norway. SPAs are licensed by the Financial Supervisory Authority of Norway (FSA) in accordance with statutory requirements. The new Norwegian Auditors Act of 2020 came into force on 1 January 2021. Until 2021 Registered Public Accountant (RPA) could be approved based on a bachelor's degree in auditing and accounting and three years of relevant practical training. Grandfathering was granted to extant RPAs, including the right to use the SPA title.

The FSA and the universities share responsibility for establishing and administering Initial Professional Development (IPD) for professional accountants in Norway. DnR monitors the developments of the IAESB and new or revised IESs and addresses the IPD and CPD requirements on an ongoing basis.

Professional accountants have a statutory obligation to complete a minimum of 120 hours of organized verifiable continuing professional education in each three-year rolling period. The requirement was in 2021 increased from 105 to 120 hours with the new Auditors Act. Compliance is verified as a part of the quality review system and bi-annual obligatory reporting to the FSA.

DnR has reviewed the 2015 revised IES and emphasis on learning-outcomes based approaches. IPD learning-outcomes are secured through comprehensive descriptions in the university curriculums for the audit examinations and the FSA test of professional competence. The FSA monitors, through inspections and periodical quality control reviews, that Engagement Partners maintains the necessary professional competence to perform statutory audits. Periodical quality control reviews of non-public-interest auditors are performed by DnR on behalf of the FSA. The system ensures that achievement of relevant learning outcomes is periodically demonstrated for all Engagement Partners.

	Start Date	Actions	Completion Date	Responsibility	Resource
Maintaining Ongoing Processes					
1.	Ongoing	Inform the universities about International Accounting Education Standards Board (IAESB) actions, outputs and strategic plans.	Ongoing	CEO, Technical Director	Technical Staff
2.	Ongoing	Interact actively with the universities' in developing relevant education for public accountants.	Ongoing	CEO, Technical Director	Technical Staff
3.	Ongoing	Participate in the committee responsible for the Auditor's Test of Practical Ability, managed by the Financial Supervisory Authority of Norway.	Ongoing	CEO	Technical manager
4.	Ongoing	Offer high quality CPE courses and e-learning.	Ongoing	CEO	CPE-manager/ Commercial Director

	Start Date	Actions	Completion Date	Responsibility	Resource
5.	2016	Influence the current process of replacing the Norwegian Auditors Act to ensure full alignment with the IAESB requirements on CPD.	Completed 2020	CEO	Technical staff
Review of DnR's Compliance Information					
6.	2016	Perform updated review of revised SMO 2 and DnR's SMO Action Plan and incorporate any necessary changes.	2017 (completed)	Board, CEO	Technical staff

Action Plan Subject: SMO 3 - International Standards and other Pronouncements Issued by the International Auditing and Assurance Standards Board (IAASB)

Action Plan Objective: To Continue Using Best Endeavors

Background					
<p>The Norwegian Auditors Act stipulate that audits must be conducted in accordance with generally accepted auditing practices. This requirement is continued with the new Norwegian Auditors Act that came into force on 1 January 2021. In practice, “generally accepted auditing practices” are being interpreted as complying with the auditing standards issued by DnR, which are based on the ISAs and the other international standards. The standards are translated into Norwegian from the IAASB’s standards without add-ons or carve outs. National assurance standards exists for assurance engagements covering requirements under Norwegian tax and company law.</p> <p>Since 1997, audit and assurance engagements in Norway have been performed in compliance with the ISAs, the ISREs, the ISAEs and the ISRSs. The clarified standards became effective for audits of annual and consolidated accounts with a balance sheet date commencing on or after January 1. 2010. New and amended ISAs are consistently translated and implemented.</p>					
	Start Date	Actions	Completion Date	Responsibility	Resource
Maintaining Ongoing Processes					
1.	Ongoing	Review of IAASB agenda materials and exposure drafts including submission of comment letters.	Ongoing	Auditing Standards Committee	Technical staff.
2.	Ongoing	Development of new and updating of existing continuing education courses to assist with implementation of new/ revised standards.	Ongoing	DnR Education Committee	Technical staff and external consultants
3.	Ongoing	Inform on DnRs webpage and in newsletters about IAASB exposure drafts.	Ongoing	CEO	Technical staff
4.	Ongoing	Prepare high quality Norwegian translations of the international standards in a timely manner and decide on their effective date in Norway. Updated Norwegian translations of the international standards are available at: www.revisorforeningen.no/fag/standarder-og-veiledninger/revisjon-av-arsregnskap/	Ongoing	Auditing Standards Committee	Technical staff
5.	Ongoing	Ensure effective dissemination of the standards. <ul style="list-style-type: none"> • Distribution through our own and our partners’ electronic and paper platforms • DnR’s extensive CPD-program shall cover proper use of the standards • Personal guidance through DnR’s member query system 	Ongoing	CEO	Technical staff

Review of DnR's Compliance Information					
6.	2016	Perform updated review of revised SMO 3 and DnR's SMO Action Plan and incorporate any necessary changes.	2017 (completed)	CEO	Technical staff

Action Plan Subject: SMO 4 - the International Ethics Standards Board for Accountants (IESBA) Code of Ethics

Action Plan Objective: Ensure that the Norwegian Ethics Framework, including DnR's Code of Ethics, fulfill the IESBA Code

Background					
<p>The Norwegian Auditing Act of 2020 includes independence requirements in line with the EU Audit Directive. The EU Audit Regulation sets out additional independence requirements for PIE-audits, which is applicable in Norway. In addition to independence, the requirements include provisions on the role of the auditor, engagement partner, professional secrecy and on acceptance and resigning the engagement. These requirements are in line with the requirements of the IESBA Code of Ethics up until the 2022 revisions.</p> <p>Requirements to respond to non-compliance with laws and regulations (NOCLAR) include statutory reporting obligations to those charged with governance (TCWG), to the police relating to anti money laundering and terror financing and to the Financial Supervisory Authority relating to financial institutions. The auditor is required by law to assess the appropriateness of the response of management/TCWG and resign the engagement if it is deemed inappropriate.</p>					
	Start Date	Actions	Completion Date	Responsibility	Resource
Maintaining Ongoing Processes					
1.	Ongoing	<p>Ensure effective dissemination of ethical requirements to members.</p> <ul style="list-style-type: none"> Distribution through our own and our partners' electronic and paper platforms DnR's CPD-program shall cover ethical requirements Guidance on ethical requirements through DnR's member query system 	Ongoing	CEO	Technical staff
2.	Ongoing	Monitor new and amended standards from the IESBA. Provide and send comments to exposure drafts as needed.	Ongoing	CEO	Technical staff
Review of DnR's Compliance Information					
3.	2016	Perform updated review of revised SMO 4 and DnR's SMO Action Plan and incorporate any necessary changes.	2017 (completed)	CEO	Technical staff

Action Plan Subject: SMO 5 - International Public Sector Accounting Standards (IPSASs) and Other IPSASB Guidance

Action Plan Objective: Promote Accrual Accounting in Public Sector and Harmonization with IPSASs

Background					
<p>DnR supports the move to the adoption of IPSASs by the Government of Norway. DnR will continue to use its best endeavors to encourage the Norwegian government authorities to implement accrual accounting in local and central government in line with the IPSASB. The Institute continues to identify opportunities to further assist the Norwegian government by promoting harmonization with the international standards.</p> <p>Some progress has been achieved. From 2016 most government entities are allowed and encouraged to implement accrual accounting according to the IPSASB Standards. Many of them are now doing so. The aggregate National Financial Statements, however, are not prepared using IPSAS compliant principles. IPSASB Standards cannot be used at the aggregate level of local government (the municipalities).</p> <p>DnR has no direct responsibility in the context of SMO 5.</p>					
	Start Date	Actions	Completion Date	Responsibility	Resource
Maintaining Ongoing Processes					
1.	Ongoing	Continue to lobby in Norway for the adoption of IPSASs, e.g. in meetings with representatives of the Ministry of Finance and Parliament and in the regular dialogue with the Auditor General.	Ongoing	CEO	Technical Director and staff
Review of DnR's Compliance Information					
3.	2016	Perform updated review of revised SMO 5 and DnR's SMO Action Plan and incorporate any necessary changes.	2017 (completed)	CEO	Technical staff

Action Plan Subject: SMO 6 - Investigation and Discipline

Action Plan Objective: Maintenance of Investigation/Enforcement Process

Background

The Financial Supervisory Authority of Norway (FSA) is responsible for public oversight of professional accountants and audit firms according to the Norwegian Act on the Financial Supervisory Authority and the Norwegian Auditors Act. The system includes powers of investigation and enforcement of professional misconduct.

The FSA issues investigation reports addressing findings of non-compliance, criticism where the Authority finds it is appropriate and need for corrective action. The investigation reports are made public on the Authority's website.

The FSA is empowered to temporarily or permanently withdraw the license to practice on the grounds of material or repeated misconduct. The new Norwegian Auditors Act of 2020 has introduced additional sanctioning powers for the FSA, including imposition of administrative fines, temporary ban on issuing audit reports and temporary ban on having a management position in an audit firm or a PIE. The auditor or audit firm have a right to appeal before a designated Appeals Committee appointed by the Ministry of Finance.

DnRs quality assurance reviews (cf. SMO 1) generate reports to the Financial Supervisory Authority in cases where withdrawal of the auditor's license should be considered. The Financial Supervisory Authority of Norway will investigate as necessary. The enforcement process is entirely conducted by the Financial Supervisory Authority of Norway according to the Norwegian Auditing Act and the Norwegian Act on the Financial Supervisory Authority.

DnR has no direct responsibility within the area of SMO 6. DnR will continue to work with the Financial Supervisory Authority, responsible for audit oversight in Norway, to ensure effective enforcement of audit quality and statutory requirements.

Further information is provided in Annex II on fulfilment of SMO 6 requirements.

	Start Date	Actions	Completion Date	Responsibility	Resource
Maintaining Ongoing Process					
1.	Ongoing	Report non-complying auditors to the FSA in cases of material misconduct.	According to Quality Control plan.	DnR Quality Control Committee, the Board of DnR	Quality Control Manager
2.	Ongoing	Continue to work with the FSA, responsible for audit oversight in Norway, to ensure effective enforcement of audit quality and statutory requirements.	Ongoing	CEO	Quality Control Manager. Technical staff
Review of DnR's Compliance Information					
3.	2016	Perform updated review of revised SMO 6 and DnR's SMO Action Plan and incorporate any necessary changes.	2017 (completed)	CEO	Technical staff

Action Plan Subject: SMO 7 - International Financial Reporting Standards (IFRSs)

Action Plan Objective: Continue to Use Best Endeavors to Maintain and Continuously Improve the Ongoing Program for Adoption and Implementation of IFRS

Explanation

Norway has adopted the European IAS Regulation that requires Norwegian listed companies to prepare consolidated accounts according to IFRS. Banks, insurance undertakings and other financial institutions are also required to prepare consolidated and individual accounts according to IFRS (some adaptations apply to the individual accounts). All other companies in Norway have the option to apply IFRS.

Companies not applying IFRS, must prepare financial statements according to Norwegian GAAP as set out in the Accounting Act and accounting standards set by the Norwegian Accounting Standards Board.

DnR provides training on IFRS and publishes relevant guidance. DnR actively supports the adoption of IFRS for Small and Medium Enterprises (SMEs) as the basis for Norwegian accounting standards. The Norwegian Accounting Standards Board is preparing a new Norwegian accounting standard for non-listed entities based on the IFRS for SMEs. Implementation will be aligned with new accounting legislation currently under preparation. Adoption is expected in 2019.

DnR has no direct responsibility within the area of SMO 7. DnR will continue to use best endeavors to promote the use of IFRS and IFRS for SMEs in Norway.

	Start Date	Actions	Completion Date	Responsibility	Resource
Maintaining Ongoing Processes					
1.	Ongoing	Publish articles on IFRS in DnR's magazines.	Ongoing	CEO	Publishing staff, technical staff, recognized authors.
2.	Ongoing	Publish IFRS news on DnR's website.	Ongoing	CEO	Technical staff
3.	Ongoing	Offer IFRS education courses to members.	Ongoing	Education Committee, CEO	Training staff, technical staff, skilled auditors.
4.	Ongoing	Contact with the Norwegian Authorities addressing matter on IFRS-implementation.	Ongoing	CEO	Technical staff
5.	Ongoing	Contribute to comment letters to proposals from the International Accounting Standards Board (IASB) through involvement in Accountancy Europe and The Norwegian Accounting Standards Board.	Ongoing	CEO	Technical staff

	Start Date	Actions	Completion Date	Responsibility	Resource
6.	January 2013	The Norwegian Accounting Standards Board is preparing a new Norwegian accounting standard for non-listed entities based on the IFRS for SMEs. Implementation will be aligned with new accounting legislation currently under preparation. DnR is actively involved in this work.	2019	CEO	Technical staff
Review of DnR's Compliance Information					
7.	2016	Perform updated review of revised SMO 7 and DnR's SMO Action Plan and incorporate any necessary changes.	2017 (completed)	CEO	Technical staff

Annex I — Fulfilment of Requirements of SMO 1

Requirements	Y	N	Partially	Comments
Scope of the System 1. At a minimum, mandatory QA reviews are required for all audits of financial statements.	X			Legal requirement according to the Norwegian Auditors Act.
Quality Control Standards and Other Quality Control Guidance 2. Firms are required to implement a system of quality control in accordance with the quality control standards.	X			Legal requirement according to the Norwegian Auditors Act.
3. Most up to date versions of ISQC 1 and other relevant ISA are adopted as the quality control standards.	X			The Norwegian translation of ISQC 1 applies. It is published on DnR's web page.
4. Member Body assists firms in understanding the objectives of quality control and in implementing and maintaining appropriate systems of quality control.	X			Assistance is given as part of the QA reviews to improve detected weaknesses. Articles and other information is published on DnR's web page and in DnR's magazines. DnRs program of CPD includes ISQC 1 training.
Review Cycle 5. A cycle-based, risk-based, or a mixed approach for selecting firms for QA review is used.	X			Mixed approach
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).	X			
QA Review Team 7. Independence of the QA Team is assessed and documented.				

Requirements	Y	N	Partially	Comments
8. QA Team possesses appropriate levels of expertise.				
Reporting				
9. Documentation of evidence supporting the quality control review report is required.				
10. A written report is issued upon conclusion of the QA review and provided 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.				
12. QA review system is linked to the Investigation and Discipline system.				
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.				
Regular review of implementation and effectiveness				
14. Regular reviews of implementation and effectiveness of the system are performed.				

Annex II — Fulfilment of Requirements of SMO 6

Requirements	Y	N	Partially	Comments
<p>Scope of the System</p> <p>1. A system of investigation, discipline and appeals exists for the accountancy profession. The system is operational.</p>	X			<p>The Financial Supervisory Authority of Norway (FSA) is responsible for public oversight of professional accountants and audit firms in Norway.</p> <p>The FSA performs investigations. The FSA has powers to</p> <ul style="list-style-type: none"> • withdraw the license of a professional accountant or audit firm permanently or temporarily • order corrections and impose coercive fines • publish findings <p>The FSA's decisions can be appealed to an Appeals Committee appointed by the Ministry of Finance. The Committee's decisions may be brought to court.</p> <p>The system is operational. The FSA conducted 32 investigations and withdrew the license of five public accountants and audit firms in 2016.</p>
<p>2. Information about the types of misconduct which may bring about investigative actions is publicly available.</p>	X			<p>The applicable requirements and the conditions for applying investigative actions are set out in the Norwegian Auditors Act and it's bylaws. Available on-line at www.lovdatab.no</p> <p>The practices of the FSA in individual cases and general guidance is published on FSA's website: www.finanstilsynet.no</p> <p>The detailed QA-program and it's focus areas are published on DnR's website: www.revisorforeningen.no</p>
<p>Initiation of Proceedings</p> <p>3. Both a "complaints-based" and an "information-based" approach are adopted.</p>	X			<p>The FSA may react on any indication of misconduct.</p> <p>Complaints-based indicators:</p> <ul style="list-style-type: none"> • Complaints from the tax authorities or supervisory authorities • Complaints from clients • Complaints from other professionals <p>Information-based indicators:</p> <ul style="list-style-type: none"> • QA-reviews conducted by the FSA itself or DnR • Theme based reviews by the FSA • Document based reviews by the FSA

Requirements	Y	N	Partially	Comments
4. Link with the results of QA reviews has been established.	X			QA-reviews which indicates material misconduct, are followed up by an investigation by the FSA in all cases.
Investigative Process 5. A committee or similar body exists for performing investigations.	X			Investigations are performed by the FSA. The FSA is a governmental agency headed by a board appointed by the King and Cabinet of Ministers.
6. Members of a committee are independent of the subject of the investigation and other related parties.	X			The FSA board members, CEO and it's inspectors are by law required to be independent of the subject of the investigation and other related parties.
Disciplinary Process 7. A separate disciplinary committee/entity exists to make disciplinary decisions on referrals from the investigation committee.	n/a			The Norwegian I&D system is entirely separate from the profession and DnR.
8. Members of the committee/entity include professional accountants as well as non-accountants.	n/a			Cf. no. 7.
9. The tribunal exhibits independence of the subject of the investigation and other related parties.	n/a			Cf. no. 6 and 7.
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			Loss of professional designation and restriction and removal of practicing rights are covered by the FSA's powers. DnR excludes members who have lost their license.
Rights of Representation and Appeal 11. A third appeals body exists which is separate from both the disciplinary committee and investigative committee.	X			The FSA's decisions can be appealed to an Appeals Committee appointed by the Ministry of Finance. The Committee's decisions may be brought to court. Cf. No. 1.

Requirements	Y	N	Partially	Comments
Administrative Processes				
12. Timeframe targets for disposal of all cases are set.	X			Targets are set by the FSA and reported to the Ministry of Finance.
13. Tracking mechanisms to monitor progress in investigation and discipline and related procedures are established.	X			The governmental administrative systems applied by the FSA ensure that proceedings are tracked and that necessary action is taken at the appropriate stage.
14. Records of investigations and disciplinary processes are established.	X			Strict legal requirements and the governmental administrative systems applied by the FSA ensure that complete records of the proceedings are kept.
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			A high degree of public awareness of the I&D system exists in Norway. This is mainly due to the system being operated by the FSA.
16. A process for the independent review of complaints on which there was no follow-up is established.	n/a			The Norwegian I&D system is entirely separate from the profession and DnR.
17. The results of the investigative and disciplinary proceedings are made available to the public.	X			The results of the proceedings and the FSA's findings are published on the FSA's web page.
Liaison with Outside Bodies				
18. There is an appropriate process for liaison with outside bodies on possible involvement in serious crimes and offences.	X			Formal procedures are established for liaison between the FSA, tax authorities and the police authorities.
Regular Review of Implementation and Effectiveness				
19. Regular review of implementation and effectiveness of the system are performed and corrective actions are implemented.	X			Targets on efficiency and effectiveness of FSA's I&D activities etc. are set in the Ministry of Finance' annual letters of public grants. The FSA prepares annual reports to the public and additional reporting to the Ministry. The FSA is accountable to the Ministry of Finance and subject to scrutiny of it's activities by the Auditor General of Norway.