

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

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.

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

ACTION PLAN

IFAC Member/Associate: Chamber of Auditors and Expert Accountants of Armenia /CAA/
Approved by Governing Body: CAAA Board
Original Publish Date: September 2009
Last Update: November 2023

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

GLOSSARY

AAAA	Armenian Association of Accountants and Auditors
CAAA	Chamber of Auditors and Expert Accountants of Armenia
ACCA	Association of Certified and Chartered Accountants (UK)
CPA	Certified Public Accountant
CPD	Continuous Professional Development
I&D	Investigation and Discipline
IAASB	International Audit and Assurance Board
IASB	International Accounting Standards Board
IES	International Education Standard
IESBA	International Ethics Standards Board for Accountants
IFAC	International Federation of Accountants
IFRIC	International Financial Reporting Interpretations Committee
IFRS	International Financial Reporting Standard
IPSAS	International Public Sector Accounting Standard
ISA	International Standard of Auditing
ISQC	International Standard of Quality Control
IT	Information Technologies
I&D	Investigation and Discipline
MoF	Ministry of Finance of Republic of Armenia
RA	Republic of Armenia
QA	Quality Assurance
SMO	Statement of Membership Obligations

General Background:

Founded as a formal association in 1997, the Chamber of Auditors and Expert Accountants of Armenia (CAAA) /former Association of Accountants and Auditors of the Republic of Armenia (AAAA)/ had 260 full members and 57 associated members (students) in the year 2020. The number of members has fallen since 1997 primarily as a result of weeding out members without appropriate qualifications, but is expected to rise in the coming years as the students meet the qualification criteria and pass the exams.

On September 1, 2022 CAA has 497 members: 226 qualified auditors, 241 qualified accountants and 30 auditing companies.

Since 2005, the Chamber has been associate member of the International Federation of Accountants, carries out the qualification of auditors and expert accountants in accordance with the international educational standards of the International Federation of Accountants, defines and monitors the requirements for continuous professional development of its members, implements external evaluation of compliance with quality control requirements of audit services provided by its member audit organizations and auditors, as well as maintains the register of member auditors, expert accountants and audit organizations.

Accounting reform in Armenia began in 1998, initially with assistance from USAID. The first USAID project devised a new set of chart of accounts; international accounting standards were translated into Armenian during the 1998 – 2000 period and were adopted as Armenian accounting standards. The Law on Accounting and the Law on Audit were also drafted and implemented.

The goal of association was to become the body with authorities stipulated by the Law. The way of achieving this goal is to obtain accreditation with the Government and promote the new Law on Regulation and Public Oversight of Auditing and Accounting, the new Law on Accounting, and the new Law on Auditing.

Mentioned three Laws were accepted by Parliament at the end of the year 2019 and are in force starting from January 1, 2020.

Below briefly are listed the main and important articles of the new Laws.

The Law on Accounting:

1. The Law does not apply to Central Bank, organizations regulated by Law on Public Sector Accounting, International organizations of which Republic of Armenia is a member, Investments funds.
2. The policy maker in the field of accounting is the Ministry of Finance: preparation of Laws, etc.
3. The accountants' qualification is provided only by professional organization.
4. Starting the next year of qualification, the qualified accountant should pass at least yearly 20 hours CPD courses, but for every two consecutive years at least 80 hours.
5. The public interest companies, big companies and group companies must prepare financial statement in accordance with to full set of IFRS, small and medium companies in accordance with SME IFRS, and micro companies in accordance with manual.
6. The audit is mandatory for PIE, large, medium-sized companies, and group companies.

The Law on Auditing:

1. The law does not apply to public sector auditing. It is covered by the Law on Chamber of Accounts.

2. The policy maker in auditing is the Ministry of Finance: preparation of Laws, etc..
3. The audit is implemented according to IFAC, IAASB and IESBA standards.
4. The auditing company or auditor has the right to perform auditing only after registration in the registry of the professional organization.
5. The quality control is carried out by the professional organization not more than once a year and not later than every three years.
6. The auditors' qualification is provided by professional organization.
7. Starting the next year of qualification, the qualified auditor should pass at least yearly 20 hours CPD courses, but for every two consecutive years at least 80 hours.

The Law on Regulation and Public Oversight of Auditing and Accounting:

1. In order to carry out public control over auditing and accounting the Public Oversight Body was established by the Ministry of Finance.
2. In the list of POB duties are supervision of professional organizations, quality control of auditing if necessary, development of the field of auditing and accounting, elaboration of normative acts in line with the Law on Accounting and Law on Auditing requirements, translation and publication of IFRS, SME IFRS, ISA, Code of Ethics and any further amendments, development of plan of accounts for public entities, big and micro companies, SME, approve the qualification program of accountants and auditors etc..
3. The POB consists of seven members from Ministry of Finance, Central Bank, Ministry of Economy, Tax authorities.
4. The Professional Organization should be non-government organization accredited by Ministry of Finance.
5. For accreditation, the Professional Organization must meet the following requirements: at least 100 physical and 10 legal members, adopt international rules of audit conduct, have a qualification scheme in accordance with IFAC educational standards.
6. The main functions of Professional organization include quality control of its members, qualification of Accountants and Auditors, members CPD control,
7. For registration with Professional Organization the auditing company must have three qualified auditors, 51% of capital share must belong to auditors or auditing companies, pay annual membership fee to Professional Organization, etc.
8. Only qualified auditors and accountants can be members of Professional Organization.
9. The Professional Organization must be yearly audited.

In 2020, in order to form an effective system of regulation of accounting and audit activities. the new "Public Oversight Board – Professional organization" model was introduced in the fields of accounting and auditing activities. In fact, it envisages delegating some functions of state regulation of sectors to professional organization, and entrusting the implementation of control over the proper performance of these functions to the Public Oversight Board.

For accreditation, the professional organization must accept IFAC COE, have at least 100 individuals and 10 legal entity members, as well as a qualification system that complies with the IFAC IES.

The Association applied to the Ministry of Finance for accreditation as Professional Organization and was accredited on April 2020.. Currently, the only professional organization accredited by the Ministry of Finance of RA is the Chamber of Auditors and Expert Accountants of Armenia.

The Association had general meeting on May 2020 and accepted the new Charter. According to the new Charter the Association was renamed into The Chamber of Auditors and Expert Accountants of Armenia Non-Governmental Organization /CAA NGO/.

The member of Chamber can be:

- audit organizations, and
- individuals who have the qualification of auditor or expert accountant of a professional organization.

It should be noted that only the audit organizations that are members of the Chamber can provide audit services, and only auditors who are members of the Chamber can satisfy the term "auditor" defined by the RA laws, as well as only auditors and expert accountants who are members of the Chamber can work as chief accountants in large, medium-sized and public interest organizations.

The Chamber manages the register of members of the Chamber electronically and provides public access to the information specified by the Chamber included in the register. Changes and updates of the register are regularly submitted to POB.

In order to receive qualification individuals must successfully pass the qualification exams, have a higher education and the necessary professional work experience.

The auditor's qualification exam program consists of 7 subjects, and the expert accountant's - 6 subjects

The Chamber's mission is to encourage the reliability of financial information of organizations operating in Armenia among users, including investors. In order to fulfill the mission, the Chamber strives to improve the professional capabilities of accountants and auditors operating in RA through qualification, continuing education, comprehensive professional support and quality control, as well as constant mutual communication with accounting and auditing clients.

In 2001, the Eurasian Group of Accountants and Auditors was established with the participation of the Chamber and CIS countries professional organizations. At the same year, Advisory Body of Auditors of the Eurasian Economic Union was also established with the participation of the Chamber and professional organizations of EAEU countries.

In 2021, the governing bodies of the Chamber were elected: the President of the Chamber, the Board of the Chamber consisting of 15 members, 7 professional and special committees, the audit committee, the executive director and the staff. Mr. Tatul Movsisyan was elected as a Chairman of Board and President of Chamber.

According to the Charter of the Chamber, the meetings of the Board of the Chamber are held at least once in 2 months. In 2021, 25 meetings of the Chamber Board were held, 142 local and individual legal acts were adopted. In 2022, 23 meetings of the Chamber Board were held, 90 local and individual legal acts were adopted.

In 2021, seven Chamber committees were formed, five of them special, two professional 52 meetings of Chamber committees were held and 24 events were organized in 2021 and 68 meetings of Chamber committees were held in 2022.

During the year 2021 numerous regulations and orders were elaborated and adopted in accordance with the new functions of Chamber.

In 2021, the Chamber Board approved a number of legal acts related to the Qualification System, including:

- The qualification procedures for auditor and expert accountant of the chamber,
- The requirements related to work experience necessary to obtain the qualification of chamber auditor and expert accountant,
- The program of the qualification exams of the chamber auditor and expert accountant and the procedure for conducting the qualification exams,
- Charter of the Chamber's qualification committee,

In 2021, the simplified qualification procedure for the auditor and expert accountant of the Chamber was developed and entered into force, which refers to persons who are members of the Chamber and do not have the qualifications of the Chamber, who have the qualifications of the auditor or chief accountant of the Ministry of Finance and the Central bank of Armenia, as well as for a limited period of time persons with an expert accountant's certificate. It was established that persons with

the above-mentioned qualifications are exempted from the examinations of four subjects, and in order to obtain the qualification of the auditor, they must successfully pass the examinations of three subjects, and in the case of an expert accountant, two subjects. All exams should be passed till January 1, 2023.

During the year 2023, the membership of 238 persons (77 auditors and 161 expert accountants) of the Chamber was terminated, including

- 216 persons (62 auditors and 154 expert accountants) who joined the Chamber with a limited-term certificate of the Ministry of Finance, the Central Bank and did not meet the requirements of qualifications. The membership was suspended according to law,
- according to their own application: 5 persons (5 auditors),
- for non-payment of membership fees: 3 persons (3 expert accountants),
- 14 persons (10 auditors and 4 expert accountants) for non-observance of the requirements of the CPD.

Auditors and expert accountants who are members of the Chamber are obliged to pass the CPD starting from the year following the year of becoming a member of the Chamber. The duration of CPD should not be less than 20 hours for each calendar year, and not less than 80 hours for every two consecutive years. In case of non-compliance with the requirements of CPD the awarded qualifications must be cancelled. In 2022 44 CPD courses, seminars, trainings and other similar events were organized on international auditing standards, IFRS, tax legislation, external assessment of compliance with quality control requirements, economic law and etc. with a total duration of 128 hours, with a total number of 1930 participants.

The Chamber, as an accredited professional organization, has been delegated the functions of state regulation in the fields of accounting and auditing activities in the Republic of Armenia, including the quality control of auditing services provided by auditing organizations and auditors, as well as external assessment of compliance with requirements for expert accountants and auditors who do not work in an auditing organization. The development and implementation of external evaluation procedures was completed in 2022. The Board of the Chamber approved the list of audit organizations subject to external evaluation and started external evaluation

In 2022, another important project was initiated with WB financial and organizational support. The aim of the project is to develop a methodological manual (guideline) for audit documentation and a software prototype, which will later enable the development of the computer program for the implementation of the audit and its localization for use by audit organizations.

In 2021-2022, the Chamber prepared a package of all necessary documents and submitted an appropriate application to ACCA to receive exemptions from ACCA relevant examinations. As a result, ACCA has granted exemptions from the exams of 8 subjects for Chamber qualified persons for the period of 2022-2026.

Armenia is included also in the World Bank's CFRR's Strengthening Auditing and Reporting in the Countries of the Eastern Partnership (STAREP) and Public Sector Accounting and Reporting (PULSAR) projects. First program aimed at creating a transparent policy environment and effective institutional framework for corporate reporting within the countries that make up the EU's Eastern Partnership: Armenia, Azerbaijan, Belarus, Georgia, Moldova and Ukraine. The six countries have made significant progress in modernizing their systems of corporate financial reporting but face several outstanding common challenges, especially as regards institutional capacity. STAREP is designed to assist them in adopting and implementing international standards and fostering the alignment of their financial reporting frameworks with international best practices and EU standards.

PULSAR is a regional and country level program to support the development of public sector accounting and financial reporting frameworks in beneficiary countries.

At a regional level, PULSAR works in three broad mutually reinforcing areas, providing a platform for knowledge sharing and contributing to improvements in government accountability, transparency, and performance. Beneficiary countries are Albania, Armenia, Azerbaijan, Belarus, Bosnia and Herzegovina, Croatia, Georgia, Kosovo, FYR Macedonia, Moldova, Montenegro, Serbia, Ukraine. The objective of the program is to support the enhancement of participating countries'

PSA and financial reporting frameworks in line with international standards and in accordance with good practices, in order to improve government accountability, transparency, and performance.

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

Action Plan Objective: Develop CAA Quality Assurance Review System in Line with SMO1

#	Start Date	Actions	Completion Date	Responsibility	Resource
<p><i>Background:</i></p> <p>Until the year 2020 the Ministry of Finance was responsible for quality assurance (QA) of auditors in Armenia. The previous Law on Auditing generally referred to the QA review system, without specifying the detailed requirements. Under the Government Decision No. 268 as of March 4, 2010, the Audit Inspectorate of the Ministry of Finance of the Republic of Armenia was established to fulfil this responsibility. Nevertheless, as of 2019 no official mandatory QA review system exists in Armenia.</p> <p>The Draft Law on regulation and public oversight of accounting and auditing was developed in 2014 with the assistance of World Bank. According to the law, new Chamber must be formed. The Chamber shall be formed after Law becomes effective, within a three-month period, after Armenian Association of Accountants and Auditors NGO acting in the RA is reorganized, pursuant to the procedure set forth by Article 63 of the RA Civil Code. According to the Draft Law, it was assumed that AAAA will be reorganized into the Chamber, to which the Government will delegate the number of responsibilities in the area of regulation of accounting and auditing profession, such as a quality assurance and certification of auditors. The draft law was amended several times and further process of adoption was stopped until the year 2020. As was mentioned in 2020 the Law was accepted and the Association was reorganized into Chamber and further is responsible for elaboration and implementation of QA procedures.</p> <p>To improve audit quality of engagements undertaken by the audit firms in Armenia, AAAA initiated Audit Quality Review Process (Monitoring) based on ISQC 1 and the requirements of SMO 1 that was discussed and agreed with major audit firms (including international audit firms) operating in Armenia. The process officially began in September 2013. The Monitoring is voluntary based (all firms are invited to participate) and its result are announced to general public to develop public trust to audit opinions. AAAA with support of international firms (esp. GTA) created procedures, review questionnaires, assessment methodology and agreed other terms for the Monitoring. One review was conducted since 2013</p> <p>As was mentioned above after the adoption of new Laws the Professional organization is responsible for quality assurance of Auditors in Armenia. The Public Oversight Body approves yearly QA plan of Professional Organization and also have right to organize quality control by itself if necessary.</p> <p>The Chamber, as an accredited professional organization, has been delegated the functions of state regulation in the fields of accounting and auditing activities in the Republic of Armenia, including the quality control of auditing services provided by auditing organizations and auditors, as well as external assessment of compliance with requirements for expert accountants and auditors who do not work in an auditing organization. The quality assurance external procedure was developed by international experts in the frame of WB project. This procedure was approved by the Ministry of Finance. The development of external evaluation procedures was completed in 2022. The Board of the Chamber approved the list of audit organizations subject to external evaluation. After approval external quality assessments were carried out</p> <p>Nowadays March 2019 versions of ISA and IFRS are in force According to the law Public Oversight Board is responsible for translation and adoption of standards in Armenia. Nowadays the Chamber is ready to support the standards translation and adoption process with its professional capabilities. POB plan to have a</p>					

#	Start Date	Actions	Completion Date	Responsibility	Resource
<p>provision regarding translation and adoption of updated standards in the POB 2024 program.</p> <p>In order to support Audit companies to improve quality of audit services the prototype of audit software was developed.</p> <p>Chamber organizes periodically CPD sessions for its members, including topics related to QA.</p>					
<i>Mandatory Membership Requirement</i>					
1.	October 2012	Propose to Ministry of Finance of Republic of Armenia (MoF) to renew the discussions related to the proposed Law on Chamber which sets the mandatory membership requirement for professional accountants as well as for firms.	Completed		<p>The goal of AAAA to become the body with authorities stipulated by the Law. The way of achieving this goal is to obtain agreement with the Government and promote the Law on Chamber.</p> <p>Board and Chairman decided to continue the campaign of negotiations with the Ministry of Finance on the new Law</p>
2.	September 2020	Develop and approve new procedures for evaluation of Quality Assurance.	2021	CAAA Chairman, Board	Board and Chairman, representatives of audit companies
3.	December 2019	Continue to lobby the establishment of Public Oversight Body	Completed	CAAA Chairman, Board	Board and Chairman, representatives of audit companies
4.	December 2019	Continue to lobby the approval of the new Law on Auditing, Law on Accounting and The Law on Regulation and Public oversight of Accounting and Auditing.	Completed	CAAA Chairman, Board	Board and Chairman, representatives of audit companies
5.	March 2020	Prepare documentation and application for accreditation to the Ministry of Finance of Republic of Armenia as a Professional Body	Completed	CAAA Chairman, Board	AAAA Executives

#	Start Date	Actions	Completion Date	Responsibility	Resource
6.	2020	Review the requirement of the existing QA system against those of SMO1 and promote the adoption of mandatory QA system by POB	2021	CAA Chairman, Board, Executives	AAAA staff, audit companies qualified specialists
7.	September 2023	To start the process of applying for IFAC full membership.	Ongoing	AAAA Chairman, Executive Director	
8.	July 2009	Invite IFAC qualified accountants (Association of Certified and Chartered Accountants (ACCA), CPA) to join the CAAA. Invite professional accountants to pass the certification scheme of the CAAA to obtain membership in order for CAAA to implement quality control.	Completed	CAA Chairman, Executive Director	IFAC qualified accountants are permanently invited and encouraged to participate in CAAA.
<i>Implementing International Standard of Quality Control (ISQC1) and voluntary QA review inspections.</i>					
9.	June 2009	Conduct the survey of global best practices in order to develop sustainable quality assurance review system in AAAA.	Completed	AAAA Executive Director	On initiative of Board the additional survey has been conducted June – September 2012.
10.	August 2009	Prepare a draft report on QA model to be introduced in the AAAA and publish in the AAAA Periodical. Ask for comments.	Completed	AAAA Executive Director	On initiative of new Board the additional survey has been conducted June – September 2012.
11.	November 2009	Publish the revised version of QA model. Submit for AAAA Board Approval.	Completed	AAAA Executive Director	On initiative of new Board the additional survey has been conducted June – September 2012.
12.	November 2009	Involve International Audit firms to share their knowledge and experience in order to develop QA system for local firms and individual practitioners.	June 2012 Completed	AAAA Chairman, Deputy Chairman	As a result of points 9-12 the following documents have been developed and adopted by Board: “Quality Review Memorandum of Understanding”, “Review Questionnaire”

#	Start Date	Actions	Completion Date	Responsibility	Resource
13.	July 2012	Develop procedure on implementation of Quality Control and the mechanism of its application.	October 2012 Completed	AAAA Chairman, Deputy Chairman	As a result of points 9-12 the following documents have been developed and adopted by Board: “AAAA Procedure for Audit Quality Control Monitoring”, “Review Questionnaire”
14.	August 2012	To inform all registered in Republic of Armenia (RA) audit firms and organize discussions on proposed procedure on Quality Control and mechanism of its application.	September 2012 Completed	AAAA Chairman, Deputy Chairman	As a result of points 9-12 the following documents have been developed and adopted by Board: “Quality Review Memorandum of Understanding”, “Review Questionnaire”
15.	August 2012	Develop the checklist on QA as a tool.	September 2012 Completed	AAAA Deputy Chairman	As a result of points 9-12 the following documents have been developed and adopted by Board: “Review Questionnaire and assessment model” reviewed by various firms and experts.
16.	October 2012	To discuss with MoF proposed by AAAA procedure on Quality Control and mechanism of implementation.	December 2012 Completed	AAAA Chairman, Deputy Chairman	A few discussions were held at the MoF including those with the participation of Minister. In addition, all QC procedures and questionnaires were submitted to MoF.
17.	December 2012	To summarize the results and evaluate efficiency of quality review cycle.	October 2013 ⁱ Completed	AAAA Chairman Deputy Chairman	The quality review process was conducted by international expert. Several auditing companies have

#	Start Date	Actions	Completion Date	Responsibility	Resource
					participated in review process on voluntary bases. The results were summarized and presented to audited companies.
18.	February 2013	To invite forum of the firms participated in Quality Review and other interested parties to discuss the status of agreements, adjustments needed, and further actions.	October 2013 Completed	AAAA Chairman Deputy Chairman	The forum took place on October 2013 before the start of quality review process.
19.	March 2013	To propose MoF, CBA in the regulations requiring audits take into account provided by AAAA quality assurance certification.	October 2013 Completed	AAAA Chairman Deputy Chairman	After finalizing the quality review process the presentation event was organized. All interested parties were invited to this event. The previous deputy minister of Finances L. Hunanyan mentioned that the results could be used by Ministry of Finance during supervision process of auditing companies. Also appropriate letters were prepared and sent to the state bodies.
20.	2014	Make adjustments, further develop, and continue the project on practice inspection by AAAA.	Ongoing	Board/CAA Executive Director	To review/revise the pilot project, make adjustments, develop the strategy, and continue the practice inspection along with MoF. The points 17-21 are covered by the points 9-15 of the current Action Plan

#	Start Date	Actions	Completion Date	Responsibility	Resource
21.	October 2011	Conduct a review of the practice inspection system to ensure it is operating effectively.	November 2011 Completed	AAAA Chairman, AAAA Executive Director	<p>MoF has established new Department within the Ministry which implements the inspections. QA reviews were not done on regular bases and the main attention is focused on documentation aspects.</p> <p>At the moment AAAA proposes to introduce system of Quality Control in addition to that running by MoF.</p> <p>The points 17-21 are covered by the points 9-15 of the current Action Plan</p>
22.	December 2011	Develop the draft of the revised practice inspection system.	January 2012 Completed	AAAA Chairman, AAAA Executive Director	<p>MoF has established new Department within the Ministry which implements the inspections. At the moment AAAA proposes to introduce system of Quality Control in addition to that running by MoF.</p> <p>The points 17-21 are covered by the points 9-15 of the current Action Plan</p>
23.	February 2012	Publish the revised version on practice inspection system in the AAAA Periodical. Ask for comments.	April 2012 Completed	AAAA Chairman, AAAA Executive Director	<p>MoF has established new Department within the Ministry which implements the inspections. At the moment AAAA proposes to introduce system of Quality Control in</p>

#	Start Date	Actions	Completion Date	Responsibility	Resource
					addition to that running by MoF. The points 17-21 are covered by the points 9-15 of the current Action Plan
24.	May 2012	Submit the revised model of practice inspection system for Board approval.	May 2012 Completed	AAAA Executive Director	MoF has established new Department within the Ministry which implements the inspections. At the moment AAAA proposes to introduce system of Quality Control in addition to that running by MoF. The points 17-21 are covered by the points 9-15 of the current Action Plan
25.	2020	Prepare and implement new QA control system and timeline, incorporating the requirements of SMO1, for Professional body individual and legal entity members	2021	CAA Chairman, Board, Executive	
26.	2023	Start the QA Inspections in line with the requirements of the Law	ongoing	CAAA Board, Executive	QA 4 inspections were implemented in
27.	2023	Development of prototype of audit software	2023 Completed	CAAA Executive	
28.	2024	Development of audit software for CAAA legal entities members	2025	CAAA Executive	

#	Start Date	Actions	Completion Date	Responsibility	Resource
29.	2024	Start the process of ISQM translation and adoption	2024	CAAA Board, Executive	POB plan to start translation this year and now are looking for donor organization to start negotiations. The Chamber is ready to support the process of translation and adoption of standards with its professional capabilities.
<i>Maintaining Ongoing Processes</i>					
30.	Ongoing	Continue to ensure that CAAA QA is developing in line with benchmarks outlined in the Action Plan and continues to be in line with SMO 1 requirements. This includes periodic review of the operation of the QA system and updating the Action Plan for future activities where necessary.	Ongoing	CAA Chairman, Deputy Chairman	
<i>Review of AAAA's Compliance Information</i>					
31.	2014	Perform review of AAAA's policies and update sections relevant to the revised SMO 1 as necessary. Ensure review and consideration of the revised SMO 1 on Quality Assurance and its application in the current system of QA.	2015	AAAA Chairman, Executive Director	

Action Plan Subject: SMO 2 and International Education Standards (IESs)
Action Plan Objective: Continue to Use Best Endeavors to Ensure that all IES Requirements Incorporated into CAA's Education Requirements

#	Start Date	Actions	Completion Date	Responsibility	Resource
<p><i>Background:</i></p> <p>Up to April 2020 the MoF of Armenia controlled audit certification and licensing. It also controlled the related examination program. The certification provided by CAAA was considered official certification by the Government of RA. Since 2002, CAAA has been implementing a qualification scheme requiring the successful completion of 7 exams and three years of professional experience prior to obtaining certification as a certified auditor. The CAAA has its own lecturing facilities and team of lecturing staff who establish the AAAA students' qualification syllabus. ACCA and CPA qualifications are recognized by both CAAA and the MoF. Final assessment is in the process of introduction. Candidates for CAAA's membership have to complete AAAA's program for professional accountancy education, and fulfill a three-year practical experience requirement. However, the requirement of IES 5 pertaining to using such additional means of monitoring and assessing the practical experience of the candidates as mentoring system has yet to be implementedⁱⁱ.</p> <p>According to the Government decision of Republic of Armenia No. 748-n dated June 16, 2013 the certification qualification of professional auditors was transferred to the CAAA, with the oversight implemented by the Ministry of Finance, The charter of CAAA Qualification committee is approved by POB according to the requirements of Law. .</p> <p>CAAA's certification scheme and processes are based on IES's. We continuously follow the new pronouncements and committed to compliance to all IFAC educational pronouncements.</p> <p>A comprehensive review of CAAA qualification system was implemented started with entry requirements for professional accounting educational program. In order to higher the input knowledge level of the participants, we are currently working closely with academia to improve the educational programs. According to the Law on Regulation and Public Oversight of Auditing and Accounting in force from January 1, 2020, qualification of Accountants and Auditors will be one of the main functions of the Professional Body. The Chamber of Auditors and Accountants of Armenia /former Association of Accountants and Auditors/ applied to the Ministry of Finance for accreditation as Professional Organization and was accredited on April 2020.</p> <p>The Chamber's qualification system is based on the qualification system of ACCA. The auditor's qualification program consists of 7 subjects, and the expert accountant's - 6 subjects</p> <p>In 2022, the important and very necessary project of translation and modernization of the textbooks of the Qualification Program was implemented. With the financial support of the STAREP program of the World Bank and on the basis of the license right granted by BPP Learning Media Ltd, the translation of the ACCA 5 textbooks was carried out.</p> <p>In 2021-2022, the Chamber prepared a package of all necessary documents and submitted an appropriate application to ACCA to receive exemptions from ACCA relevant examinations. As a result, ACCA has granted exemptions from the exams of 8 subjects for Chamber qualified persons for the period of 2022-2026.</p> <p>Auditors and expert accountants who are members of the Chamber are obliged to pass the CPD starting from the year following the year of becoming a member of</p>					

#	Start Date	Actions	Completion Date	Responsibility	Resource
<p>the Chamber. The duration of CPD should not be less than 20 hours for each calendar year, and not less than 80 hours for every two consecutive years. In case of non-compliance with the requirements of CPD the awarded qualifications must be cancelled. In 2022 44 CPD courses, seminars, trainings and other similar events were organized on international auditing standards, IFRS, tax legislation, external assessment of compliance with quality control requirements, economic law and etc. with a total duration of 128 hours, with a total number of 1930 participants.</p> <p>-Chamber regularly organizes CPD courses on updated standards and the participation of the members of the Chamber in the CPD courses is partially financed by Chamber.</p> <p>In 2021, the simplified qualification procedure for the auditor and expert accountant of the Chamber entered into force, which referred to the persons who are members of the Chamber and do not have the qualification of the Chamber but have the qualifications of auditor or chief accountant of the RA Ministry of Finance and Central Bank.</p> <p>In a simplified procedure, it was established that persons with the above-mentioned qualifications are exempted from the examinations of four subjects, and in order to obtain the qualification of Chamber auditor, they must successfully pass three, and in the case of an expert accountant, two examinations.</p> <p>The Chamber implemented steps to assist the persons included in the scope of the Simplified Procedure to have additional opportunities to pass the exams within the specified time limits. In particular, three exam sessions were organized instead of two.</p>					
<i>Final Assessment and its Further Enhancement</i>					
32.	May 2009	Contact other IFAC member bodies to understand how they have structured, implemented and introduced their final assessment requirements.	July 2009 Completed	AAAA Executive Director	
33.	October 2009	Discuss the requirements of IES 8, Competence Requirements for Audit Professionals, in the AAAA Committee of Education and Certification in order to develop the specific procedure assessing professional knowledge, skills, values, ethics, and attitudes required of those members of the profession who are involved in the audit of financial statements.	April 2010 Completed	AAAA Education and Certification Committee	
34.	September 2009	Develop final assessment process including nature of the assessment (e.g., recorded or oral format), the competence and capabilities to be assessed, and the structure.	April 2013 Completed	AAAA Education and Certification Committee	
35.	December 2009	Submit final assessment procedure for AAAA Board approval.	June 2013	AAAA Executive	

#	Start Date	Actions	Completion Date	Responsibility	Resource
			Completed	Director	
36.	January 2010	Start to implement final assessment procedure.	September 2013 Ongoing	AAAA Executive Director	
37.	November 2012	To present the proposal to MoF to transfer certification of professional auditors from MoF to AAAA.	June 2013 Completed		
38.	September 2012	Update textbook on Audit and Internal Control.	May 2013 Completed	AAAA Executive Director	
39.	Dec 2012	Update textbooks on Managerial Accounting, Financial Management.	October 2013 Ongoing	CAA Executive Director	In process
40.	March 2010	Develop a special procedure assessing professional knowledge, skills, values, ethics, and attitudes required of those members of the profession who are involved in the audit of financial statements.	May 2013 In process	CAA Education and Certification Committee	In process
41.	November 2010	Submit for AAAA Board approval the assessment procedure for those members of the profession who are involved in the audit of financial statements.	July 2013 In process	CAA Executive Director	In process
<i>Promoting the Need for Strengthening the Pre-Qualification Requirements</i>					
42.	September 2009	To amend Financial Reporting and Audit papers of AAAA Certification Scheme with chapters concerning Professional Values Ethics and Attitudes in compliance with IES 4.	November 2013 Completed	AAAA Education and Certification Committee	Will be done parallel with the updates of corresponding textbooks. Code of Ethics is required in addition to papers of Certification Scheme.

#	Start Date	Actions	Completion Date	Responsibility	Resource
43.	October 2012	Official commencement of the Certification Scheme incorporating Professional Values, Ethics and Attitudes component lecturing and examination.	January 2014 Completed	AAAA Education and Certification Committee	Will be done parallel with the updates of corresponding textbooks. Code of Ethics is required in addition to papers of Certification Scheme.
44.	October 2012	To review formerly developed IT Paper textbook as a part of AAAA Certification Scheme.	October 2013	CAA Executive Director	IT paper has developed, but should be reviewed and updates
45.	October 2012	Review IT Paper as additional paper on 3-d level of Certification scheme.	February 2014 In process	CAA Executive Director	IT paper has been developed, but should be reviewed and updated It was decided to include IT paper in "Financial Information for management" paper of AAAA qualification scheme.
46.	October 2012	Visits to Universities, presentations, meetings with management in order to promote the requirements of IESs and the need for the curricula to reflect new accounting, auditing, and ethical standards and requirements ⁱⁱⁱ .	Ongoing	CAA Executive Director Education and Certification Committee	
47.	2020	Review AAAA qualification program of professional accountant and auditors to be compliant with IFAC standards	2020 Completed	AAAA Executive Director Education and Certification Committee	

#	Start Date	Actions	Completion Date	Responsibility	Resource
48.	2020	Review qualification exams' related procedures to be compliant with best practices	2021 Completed	AAAA Executive Director Education and Certification Committee	
49.	2020	Elaborate simplified procedure of membership for those auditors who received qualification according to the Law on Auditing No 512-N dated 2002.	2020 Completed	AAAA Executive Director Education and Certification Committee	
50.	2020	Review the professional body's (Chamber of Auditors and Expert Accountants) qualification program in compliance with revised IESs	2021 Completed	CAA Executive Director Education and Certification Committee	
51.	2020	Promote and facilitate the adoption and implementation of the IES requirements for all professional accountants in Armenia.	Ongoing	CAA Executive Director AAAA staff	
52.	2023	To carry out IFAC Self-Assessment Against Main Requirements of International Education Standards	2023 Completed	CAAA Qualaification Committee Executive	
<i>Further development of Practical Experience Requirement</i>					

#	Start Date	Actions	Completion Date	Responsibility	Resource
53.	April 2010	Introduce experience matrix as a tool of assessing practical experience of candidates.	September 2010 Completed	AAAA Executive Director, Education and Certification Committee	
54.	August 2012	Review practical experience matrix introducing different work experience requirements for accountants and auditors in practice.	April 2013 Completed	AAAA Executive Director, Education and Certification Committee	
55.	March 2013	Submit for Board approval the procedure of specific requirement to the experience for qualification as a auditor.	July 2013 Completed	AAAA Executive Director, Education and Certification Committee	
56.	August 2014	Introduction of procedure of specific requirement to the experience for qualification as an auditor.	August 2014 Completed	AAAA Executive Director, Education and Certification Committee	
57.	October 2012	To develop the strategy of introduction of the procedure of requiring the program of practical experience to be developed by the employer together with the trainee and periodically reviewed by the mentor.	May 2014 In process	CAA Education and Certification Committee	

#	Start Date	Actions	Completion Date	Responsibility	Resource
58.	June 2013	To introduce the procedure of requiring the program of practical experience to be developed by the employer together with the trainee and periodically reviewed by the mentor.	September 2014 In process	CAA Education and Certification Committee	
59.	October 2012	To introduce the procedure for screening of practical experience providers.	December 2014 In process	CAA Education and Certification Committee	
<i>Strengthening Continuous Professional Development (CPD)</i>					
60.	September 2009	Revise the CPD policy of AAAA incorporating IES 8 in the Institute CPD policy.	May 2010 Completed	AAAA Education and Certification Committee	
61.	August 2012	Develop sanctions against the members who do not fulfill CPD mandatory hours.	November 2012 Completed	AAAA Education and Certification Committee	
62.		In line with the Law requirements elaborate procedures for sanctions against the members who do not fulfill CPD mandatory hours.	2021 Completed	CAA Executive Director, Education and Certification Committee	
63.	January 2020	Prepare and approve CPD new requirements for members in line with IFAC requirement	2020 Completed	CAA Executive Director, Education and Certification Committee	

#	Start Date	Actions	Completion Date	Responsibility	Resource
<i>Maintaining Ongoing Processes</i>					
64.		Continue to ensure that AAAA education requirements incorporate the revised IES requirements. This includes review of the existing requirements and preparation of the Action Plan for the future activities where necessary ^{iv} .	Ongoing	CAA Executive Director, Education and Certification Committee	
<i>Review of AAAA's Compliance Information</i>					
65.	2014	Perform review of CAAA's educational policies and update sections relevant to the revised SMO 2 as necessary. Ensure review and consideration of the revised SMO 2 requirements and revised IESs to become effective in 2015 and their application in the current system of CAAA's education system.	2015 Ongoing	CAA Executive Director, Education and Certification Committee	

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

#	Start Date	Actions	Completion Date	Responsibility	Resource
<i>Background:</i>					
<p>Up to January 1, 2020 the Ministry of Finance of Armenia was responsible for the adoption of ISAs as well as IFRSs. CAAA discussed the necessity of adoption of both standards for many years. The decision was made to start with IFRSs (due to scarce resources, two sets of standards was impossible to translate simultaneously) and then to translate and adopt ISAs. According to the amendments of Law dated year 2004, audit is implemented based on international standards. In 2011, the International Standards on Auditing (ISAs) were officially adopted by the Government's resolution of December 29, 2011. In the year 2017 the International standards on Auditing 260, 570, 700, 701, 705, 706 were translated and approved by Government of the Republic of Armenia, decision 1121-N dated 14.09.2017.</p> <p>According to the Law on Regulation and Public Oversight of Auditing and Accounting in force from January 1, 2020, the Public oversight body ensures translation and publication of International Auditing standards for professional accountants.</p> <p>In 2023 translated and adopted version of ISA is March 2019. The CAAA consistently follows up the changes/amendments in ISAs. The CAAA issues technical bulletins to all the members updating them of the changes in ISAs. In addition, the trainings have been organized to introduce the changes in ISA 315 and ISA 540. All the CPD materials are being updates to include the respective changes.</p> <p>The CAAA is supporting POB in the process of translation and adoption of standards with its professional capabilities.</p>					
<i>Ongoing Adoption of IAASB Pronouncements</i>					
66.	July 2009	Discuss with MoF adoption of the newly amended or issued IAASB pronouncements on an ongoing basis.	September 2009 Completed	CAAA Executive Director	
67.	September 2009	Discuss in the Accounting and Auditing Reforms Committee the necessity and mechanism of adoption of the newly amended or issued IAASB pronouncements on an ongoing basis.	October 2009 Completed	CAAA Executive Director	
68.	November 2009	Prepare an action plan to update Armenian Standards on Auditing in order to achieve convergence with the whole set of clarified International Standards on Auditing.	January 2010 Completed	CAAA Executive Director, Board members	

#	Start Date	Actions	Completion Date	Responsibility	Resource
69.	February 2010	Action plan to be submitted to MoF for approval.	March 2010 Completed	CAAA Executive Director,	
70.	March 2010	Lobby amendment to the Law on Auditing referring to IAASB pronouncements.	May 2010 Completed	CAAA Executive Director	
71.	September 2010	Translate and publish auditing standards and exposure drafts.	September 2011 Completed	CAAA Executive Director	MoF obtained the permission of IFAC prior to officially publishing ISA's
72.	April 2013	Develop procedures aimed to follow changes in standards issued by and corresponding update of those standards in RA.	May 2013 The last update of IFRS and IAS was carried out in the year 2013 /about 400 pages were translated/.	CAAA Chairman, Executive Director	In process
73.	June 2013	Inform members of the professional body about changes in standards via web site, email, and other types of mass media.	June 2014 Completed	CAAA Executive Director	
Education Activities					
74.	May 2010	Update CAAA Certification Syllabus with the new auditing pronouncements.	September 2013 Completed	CAAA Education and Certification Committee	The textbook has been updated in accordance to the latest version of ISA's. in the year 2014

#	Start Date	Actions	Completion Date	Responsibility	Resource
75.	October 2012	Develop training courses to educate certified auditors about new auditing requirements within CPD scheme.	Ongoing	CAAA Education and Certification Committee	
76.	October 2012	Prepare and publish articles and other promotional materials in the CAAA Periodical and the CAAA website www.CAAA.am in order to enhance the awareness of the auditors, trainees in the financial audit and the public in general about the auditing standards.	Ongoing	CAAA Education and Certification Committee	
77.		Inform members of the professional body about changes in standards and organize CPD courses.	Ongoing	CAAA Education and Certification Committee	
78.	2020	Encourage professional body and public oversight body to consider participating in the international standard-setting process by providing comments on Exposure drafts and discussion papers issued by IAASB.	Ongoing	CAAA Chairman, Executive Director	
79.	2024	Assist POB in the process of translation and adoption of standards with its professional capabilities	2024	CAAA Qualification Committee, Executive	
<i>Maintaining Ongoing Processes</i>					

#	Start Date	Actions	Completion Date	Responsibility	Resource
80.	Ongoing	Continue to support ongoing adoption and implementation of IAASB pronouncements. This includes review of the implementation of the Action Plan to date and updating the Action Plan for future activities as necessary.	Ongoing	CAAA Executive Director	
<i>Review of CAAA'Ss Compliance Information</i>					
81.	2014	Perform review of CAAA's requirements regarding the IFAC Compliance Program and update its policies relevant to the revised SMO 3 as necessary.	2015 completed	CAAA Executive Director	

Action Plan Subject: SMO 4 and International Ethics Standards Board for Accountants (IESBA) Code of Ethics
Action Plan Objective: Implementing current IESBA Code of Ethics

#	Start Date	Actions	Completion Date	Responsibility	Resource
<i>Background:</i>					
Up to January 1, 2020, there was a requirement to follow a “Code of Ethics” in the Law of Auditing; however, there was no reference to the IESBA Code of Ethics. But according to the Article 3 of new draft Law on Auditing there was clear reference to the IFAC IESBA Code of Ethics.					
The CAAA updates regularly its Code of Ethics, based on the IESBA’s Code of Ethics initially translated in 2014. Later It has been updated and currently the CAAA members use 2016 year version. AAAA Code of Ethics fully complies with IESBA’s Code of Ethics.					
According to the Law on Regulation and Public Oversight of Auditing and Accounting in force from January 1, 2020, the Public oversight body ensures translation and publication of Code of Ethics for professional accountants.					
CAAA is supporting POB in the process of translation and adoption of standards with its professional capabilities. CAAA also has been organizing CPD courses on COE issues.					
<i>Updating and Implementing Current IESBA Code of Ethics for CAA Members</i>					
82.	Ongoing	Establish a procedure of permanent review and update of IESBA issued Code of Ethics.	Ongoing	CAAA Executive Director	Done
83.	June 2009	Continue to provide the lectures on the Code of Ethics to Practitioners.	Ongoing	CAAA Executive Director	Done
84.	April 2010	Review the syllabus of the CAAA Certification Scheme in compliance with IES 4, Professional Values Ethics and Attitudes. Submit for Board approval Professional Values Ethics and Attitudes component of the Certification Scheme.	December 2010 Completed	CAAA Education and Certification Committee	Code of Ethics is required in addition to papers of Certification Scheme
85.	May 2009	Discuss and recommend to Universities and Training Institutions the necessity to include the Ethics Component in the syllabus for accounting.	Ongoing	CAAA Executive Director	
86.	September	Prepare and publish articles and other promotional materials in the CAAA	Ongoing	CAAA Executive	

#	Start Date	Actions	Completion Date	Responsibility	Resource
	2009	Periodical and on the CAAA website www.CAAA.am in order to enhance the awareness of the financial auditors, trainees in the financial audit and the public in general about the standards and draft standards translated.		Director	
87.	October 2012	Review the syllabus of the CAAA Certification Scheme in compliance with IES 4, Professional Values Ethics and Attitudes. Submit for Board approval Professional Values Ethics and Attitudes component of the Certification Scheme.	Ongoing	CAAA Education and Certification Committee	Code of Ethics is required in addition to papers of Certification Scheme
88.	October 2012	Prepare and publish articles and other promotional materials in the CAAA Periodical and on the CAAA website www.CAAA.am in order to enhance the awareness of the auditors, trainees in the financial audit and the public in general about the standards and draft standards translated.	Ongoing	CAAA Executive Director	
89.	April 2013	Update Armenian version of Code of Ethics of IFAC	Ongoing	CAAA Executive Director	This activity is completed in 2016. The following update is planned in 2024.
90.	2021	Assist Public Oversight Board in the process of translation and publishing of last version of IFAC Code of Ethics	Ongoing	CAAA Executive Director	
<i>Monitoring Activities</i>					
91.	October 2012	Develop monitoring activities to ensure compliance with new and revised IESBA Code of Ethics.	Ongoing	CAAA Executive Director	
<i>Maintaining Ongoing Processes</i>					
92.	Ongoing	Continue to support ongoing adoption and implementation of the IESBA Code of Ethics. This includes review of the implementation of the Action Plan to date and updating the Action Plan for future activities as necessary.	Ongoing	CAAA Executive Director	
<i>Review of CAAA's Compliance Information</i>					

#	Start Date	Actions	Completion Date	Responsibility	Resource
93.	2014	Ensure review and consideration of the revised SMO 4 requirements and its application are included in the current system of CAAA's ethics enforcement and education process.	Ongoing	CAAA Executive Director	

Action Plan Subject: SMO 5 and International Public Sector Accounting Standards (IPSAS)
Action Plan Objective: Use Best Endeavors to Assist in the Adoption and Implementation of IPSASs³

#	Start Date	Actions	Completion Date	Responsibility	Resource
<p><i>Background:</i></p> <p>Under the Law on Public Sector Accounting, the Ministry of Finance of Armenia has responsibility for establishing public sector accounting standards. The Government of Armenia made a decision to adopt accrual based IPSASs. The IPSASs have been translated into Armenian in 2009 and later in 2012. The translation was organized by Ministry of Finance. In 2013, based on IPSAS the simplified version of IPSAS (called APSAS or Armenian Standards of Public Sector Accounting Standards) were developed.</p> <p>According to the Law on Regulation and Public Oversight of Auditing and Accounting in force from January 1, 2020, the Public oversight body ensures translation and publication of Code of standards.</p> <p>CAAA is supporting POB in the process of translation and adoption of standards with its professional capabilities. CAAA also has been organizing CPD courses on IPSAS issues</p> <p>Currently representatives of Ministry of Finance, CAAA, some universities are included in the World Bank's Public Sector Accounting and Reporting (PULSAR) project. PULSAR is a regional and country level program to support the development of public sector accounting and financial reporting frameworks in beneficiary countries. At a regional level, PULSAR works in three broad mutually reinforcing areas, providing a platform for knowledge sharing and contributing to improvements in government accountability, transparency, and performance. Beneficiary countries are Albania, Armenia, Azerbaijan, Belarus, Bosnia and Herzegovina, Croatia, Georgia, Kosovo, FYR Macedonia, Moldova, Montenegro, Serbia, Ukraine. The objective of the program is to support the enhancement of participating countries' PSA and financial reporting frameworks in line with international standards and in accordance with good practices, to improve government accountability, transparency, and performance.</p> <p>Some of CAAA members were involved in APSAS development and further training activities.</p>					
<p><i>Promoting the Use of IPSASs</i></p>					
94.	October 2012	Use best endeavors by identifying opportunities to assist MoF in implementation of IPSASs and accounting system. Discuss with MoF the ways the AAAA could assist MoF.	Ongoing	AAAA Executive Director	Done

³ The Government of Armenia made a decision to adopt accrual-basis IPSAS's. Currently the project on IPSAS's translation into Armenian is implemented. The Government plans the number of phases in order to implement IPSAS-based accounting for public sector entities.

#	Start Date	Actions	Completion Date	Responsibility	Resource
95.	January 2013	Propose MoF to develop the Certification Scheme for the accountants in public sector. Certification Scheme for the accountants in public sector could be developed on the basis of existing Certification Scheme for private sector accountants. The approach was introduced to MOF but had not had further development.	May 2013 Completed	AAAA Chairman	
96.	June 2013	To propose and develop special paper on Public sector accounting.	September 2013 suspended	AAAA Chairman	
97.	October 2013	To propose MoF the certification scheme of AAAA for certification of internal auditors in public sector.	December 2013 suspended	AAAA Chairman	
98.	September 2014	To develop special paper on Public sector accounting/auditing for internal auditors.	December 2014 suspended	AAAA Chairman	
99.	2021	Assist representatives of Ministry of Finance in further translation and update of APSAS based on appropriate changes in IPSAS.	2021	AAAA Executive Director	
<i>Maintaining Ongoing Processes</i>					
100.	Ongoing	Continue to identify opportunities to further assist in implementation of IPSASs. This includes review of the implementation of the Action Plan to date and updating the Action Plan for future activities as necessary.	Ongoing	AAAA Executive Director	
<i>Review of AAAA's Compliance Information</i>					
101.	2014	Ensure review and consideration of the revised SMO 5 requirements and their application are included in the current AAAA's Action Plan	2015	AAAA Executive Director	

Action Plan Subject: SMO 6 and Investigation & Discipline (I&D)
Action Plan Objective: Use Best Endeavors to Establish an Investigation and Disciplinary Mechanism that Addresses all SMO 6 Requirements

#	Start Date	Actions	Completion Date	Responsibility	Resource
<p><i>Background:</i></p> <p>According to the Law on Regulation and Public Oversight of Auditing and Accounting adopted in the year 2020 an external assessment is carried out regarding compliance with the quality control requirements of the audit organization and the audit services provided by the auditor in accordance with the external assessment procedures. According to the results of the external assessment, a grade of "1", "2", "3", "4", "5" or "6" is given. Also external assessment procedure is carried out for expert accountant who is a member of a CAAA and an auditor who does not work in an auditing organization</p> <p>The following disciplinary measures are applied to the members of CAAA:</p> <ol style="list-style-type: none"> 1) warning; 2) fine; 3) suspension of membership; 4) cancellation of qualification; 5) termination of membership. <p>CAAA established a mechanism for investigating and disciplining (I & D) its members in 2005. CAAA has a formal and documented investigation and discipline policy. This policy is enforced through CAAA Staff, the Board and Council. The I&D system was originally designed to be aligned with SMO 6. CAAA is continuing to set the system and tries to be compliant with SMO 6. CAAA established the Committee on membership which along with other issues is in charge with the violations of professional ethics and norms.</p> <p>Each year, by March 1, members of the Chamber submit a report on CPD courses attended in the previous year.</p> <p>The reports are first checked by the chamber administration, then the Membership committee conducts sample or full checks. In the years 2022- 2023 23 members were disqualified and membership was terminated in result of such checks.</p> <p>In the year 2023 the Board of CAAA approved the charter and members of External quality assurance and disciplinary committee. Also disciplinary procedure was developed and approved by the Board of Chamber.</p>					
<i>Strengthening the I&D Mechanism</i>					
102.	October 2009	Conduct a general review of the I & D system to ensure the process is substantively developed.	December 2009 Ongoing	AAAA Executive Director, I&D Committee	Not done due to absence of funding

#	Start Date	Actions	Completion Date	Responsibility	Resource
103.	January 2010	Prepare a draft report on areas requiring improvements.	February 2010 Suspended as there was no required funding of the project	I&D Committee	Not done due to absence of funding
104.	March 2010	Develop Action Plan on implementation of I&D system.	May 2010 Suspended as there was no required funding of the project	I&D Committee	Not done due to absence of funding
105.	October 2012	Review and improve AAAA Disciplinary procedures.	May 2013 Completed	AAAA Executive Director	
106.	May 2013	To submit AAAA Disciplinary procedures for Board approval.	June 2013 Completed	AAAA Executive Director	
107.	August 2013	To start to implement Disciplinary procedures. The Ethics and membership committee periodically monitors AAAA members declaration on CPD and Professional conduct.	October 2013 Ongoing	AAAA Executive Director	
108.	2020	To develop and approve new disciplinary procedures for professional body's members /individuals and legal entities/	2023 Completed	Chairman, Board, Executive Director	The disciplinary procedure was already developed. The Board of Chamber has adopted

#	Start Date	Actions	Completion Date	Responsibility	Resource
					Disciplinary procedures.
<i>Maintaining Ongoing Processes</i>					
109.	Ongoing	Continue to use best endeavors to ensure AAAA's investigation and disciplinary mechanism addresses all SMO 6 requirements. This includes review of the implementation of the Action Plan to date and updating the Action Plan for future activities as necessary.	Ongoing	AAAA Executive Director	
<i>Review of AAAA's Compliance Information</i>					
110.	2014	Ensure review and consideration of the revised SMO 6 requirements and their application are included in the current AAAA's Action Plan	2015	AAAA Executive Director	

Action Plan Subject: SMO 7 and International Financial Reporting Standards (IFRSs)
Action Plan Objective: Continue to Use Best Endeavors to Support the Ministry of Finance Ongoing Program for Adoption and Implementation of IFRSs

#	Start Date	Actions	Completion Date	Responsibility	Resource
<i>Background :</i>					
<p>Up to January 1, 2020, the Ministry of Finance in Armenia was responsible for the adoption of IFRSs. Up until 2009, the Law on Accounting referred to as the “Armenian Standards of Accounting”, which were the adaptation of the IASs of the 2000 version. As of 2016, the Law refers to “international standards,” without directly indicating IFRSs or specifying the translation processes. The IASs have been translated into Armenian with only minor changes. In 2008, the MoF decided to fully converge with IFRSs. The Government designated responsibilities to financial institutions with regards to preparing financial statements in compliance with IFRSs, starting with 2009/2010. All other entities, the turnover of which exceeds a determined amount, are required to prepare financial statements on the basis of IFRSs starting with 2011. The official agreement of the MoF with IASB on IFRS translation into Armenian was signed in 2008. In 2009, the IFRSs and IFRICs were translated under USAID-funded projects. As of 2019, the 2012 version of IFRSs is being applied. Processes to ensure ongoing adoption of new and revised standards have not so far been established. In 2017 the Government of Republic of Armenia adopted the amendments in IFRS SME.</p> <p>According to the Law on Regulation and Public Oversight of Accounting and Auditing adopted in the year 2020 the POB is responsible for ensuring the translation and publication of complete set of IFRS, SME IFRS and further amendments in standards.</p> <p>POB plan to start translation in 2024 and now is looking for donor organization to start negotiations. The Chamber is ready to support the process of translation and adoption of standards with its professional capabilities.</p> <p>But given the importance of knowledge of amended standards the Chamber regularly organize CPD courses on updated standards.</p>					
<i>Promoting Ongoing Convergence with IFRS</i>					
111.	October 2012	Support the ongoing process of translation of IFRS’s and International Financial Reporting Interpretations Committee (IFRIC’s).	Ongoing	CAAA Executive Director	
112.	2020	Assist Public Oversight Board in translation and publication of International Standards, participation in International Standard setting IASBs process.	Ongoing	CAAA Executive Director	
<i>Supporting CAAA members with the Implementation of IFRSs</i>					
113.	October 2012	Organize courses on IFRS’s and IFRIC’s, provide training and education in IFRS’s.	Ongoing	CAAA Executive Director	

#	Start Date	Actions	Completion Date	Responsibility	Resource
114.	October 2012	Constantly review CAAA Certification Scheme in order to update with new pronouncements of International Accounting Standards Board (IASB).	Ongoing	CAAA Chairman, Executive Director	
115.	October 2010	After the completion of the project of translation of IFRSs assist in updating of Armenian version of IFRSs and IFRICs ^v .	Ongoing	CAAA Executive Director	Ministry of Finance of RA is responsible for update of IFRS's
<i>Maintaining Ongoing Processes</i>					
116.	Ongoing	Continue to use best endeavors by identifying opportunities to further assist in implementation of IFRS's. This includes review of the implementation of the Action Plan to date and updating the Action Plan for future activities as necessary.	Ongoing	CAAA Executive Director	CAAA Staff
<i>Review of CAAA's Compliance Information</i>					
117.	2014	Ensure review and consideration of the revised SMO 7 requirements and their application are included in the current CAAA's Action Plan	2015	CAAA Executive Director	

ⁱ Though the QC whole system development was completed at the end of Dec 2012, there was a challenge to employ an adequate candidate for Reviewer. Currently, with IFAC support CAAA communicated with the adequate candidate (Paul Harrison), and it sounds the pilot Reviews started in July 2013 and completed on Sept 2013.

ⁱⁱ At the moment CAAA requires its members to complete 40 hours CPD. The members should provide special format list of trainings attended in the given year. The disciplinary measures to be applied to the members who do not comply with this requirement are discussed at the Board level and approved.

ⁱⁱⁱ Starting from the year 2011 the CAAA representatives annually met with all main Universities in Armenia:

- Yerevan State University,
- Yerevan Economic University,
- French University of Armenia,
- Slavonic University.

^{iv} CAAA permanently follows the developments of standards as well as discuss how they could be introducing in CAAA's certification scheme.

^v By the end of March 2013 4-month project of update of IFRS's funded by USAID was completed. Update was implemented by CAAA while the beneficiary is MoF as the official regulator of the field.