

BACKGROUND NOTE ON ACTION PLANS

SMO Action Plans are developed by IFAC Members and Associates to demonstrate fulfillment of IFAC Statements of Membership Obligations (SMOs). SMOs require IFAC Members and Associates to support the adoption¹ and implementation² of international standards and other pronouncements issued by independent standard-setting boards under the auspices of IFAC as well as by the International Accounting Standards Board (IASB); and to establish a Quality Assurance (QA) review and Investigation and Disciplinary (I&D) systems.

IFAC Members and Associates conduct a self-assessment against the requirements of SMOs and identify areas where improvements are needed. Based on the results of the assessment, Members and Associates develop an SMO Action Plan to (a) demonstrate how they fulfill the requirements of the SMOs and (b) where some requirements are not yet addressed, to present plans towards their fulfillment.

SMO Action Plans are designed to be ever-green documents that provide a comprehensive description of the accountancy profession and its legislative and regulatory environment in the jurisdiction as well as the actions undertaken by IFAC Members or Associates to support adoption and implementation of international standards and best practices.

Regular updates of the SMO Action Plans are required as part of the IFAC Member Compliance Program.

Use of Information

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

ACTION PLAN

| | |
|-------------------------------|--|
| IFAC Member: | Chartered Accountants Australia and New Zealand (CA ANZ) - Australia |
| Original Publish Date: | July 2009 |
| Last Updated: | November 2018 |
| Next Update: | November 2022 |

¹ *Adoption* is concerned with the decision that international standards are appropriate for use in specific national financial reporting environments and with the actions necessary to effect those decisions, including incorporation into national requirements or requiring the use of international standards through law. Adoption may include a process to review draft international standards, translation, public exposure of proposed standards, approval, incorporation into national requirements as necessary, and promulgation of final standards, and, where applicable, a convergence process to eliminate or minimize differences between international and national standards.

² *Implementation* may include a process to build awareness of the adopted standards, provide relevant education and training, develop or disseminate implementation guidance and any other activities that promote proper understanding and use of the standards in practice.

New Developments - Chartered Accountants Australia and New Zealand (CA ANZ)

The Institute of Chartered Accountants in Australia (ICAA) amalgamated with the New Zealand Institute of Chartered Accountants (NZICA) on 31 December 2014 to become Chartered Accountants Australia and New Zealand, under Royal Charter.

Following amalgamation, NZICA continues to regulate the profession of accountancy for CA ANZ members resident in New Zealand (and by virtue of their residence continue to be NZICA members) in accordance with the NZICA Act 1966 and the terms of the amalgamation agreement. Accordingly, NZICA continues to be a member of IFAC and has a separate Action Plan.

This Action Plan has been updated for Chartered Accountants Australia and New Zealand (formerly ICAA).

GLOSSARY

| | |
|---------------|--|
| AASB | Australian Accounting Standards Board |
| AFSL | Australian Financial Services License |
| APESB | Accounting Professional and Ethical Standards Board |
| ARITA | Australian Restructuring Insolvency & Turnaround Association |
| ASIC | Australian Securities & Investments Commission |
| ASQC | Australian Standard for Quality Control |
| AUASB | Auditing and Assurance Standards Board |
| CA | Chartered Accountant |
| CA ANZ | Chartered Accountants Australia and New Zealand |
| CEO | Chief Executive Officer |
| CPAA | CPA Australia |
| CPD | Continuing Professional Development |
| CPP | Certificate of Public Practice |
| FRC | Financial Reporting Council |
| FT | Full-time |
| IAASB | International Auditing and Assurance Standards Board |
| IAESB | International Accounting Education Standards Board |
| IASB | International Accounting Standards Board |
| ICAA | Institute of Chartered Accountants in Australia |
| IES | International Education Standards |
| IESBA | International Ethics Standards Board for Accountants |
| IFAC | International Federation of Accountants |
| IFRS | International Financial Reporting Standards |
| IPSASB | International Public Sector Accounting Standards Board |
| IPSAS | International Public Sector Accounting Standards |
| ISA | International Standards on Auditing |
| IPA | Institute of Public Accountants |
| NZICA | New Zealand Institute of Chartered Accountants |
| QA | Quality Assurance |
| RCA | Registered Company Auditor |
| SME | Small and Medium Enterprises |
| SMPs | Small and Medium Practices |

Action Plan Subject: SMO1 and Quality Assurance (QA): To Monitor and Ensure Ongoing Compliance with SMO1
Action Plan Objective: Continue to Ensure that CAs Offering Services to the Public (i.e. CAs in public practice) maintain the Highest Professional Standards

| # | Start Date | Actions | Completion Date | Responsibility | Resource |
|--|------------|---------|-----------------|----------------|----------|
| <p>Background</p> <p>In Australia the accounting profession operates within a co-regulatory environment, which means CA ANZ works with other bodies to regulate and govern the work of our members. The Quality Review Program (the Program), which examines the work of Australian members holding a Certificate of Public Practice (CPP), is an integral part of this co-regulatory framework. Further, the Program serves our members and the public by upholding standards and protecting the CA designation.</p> <p>Current Quality Review Program</p> <p>The aim of the Program is to assess whether our practitioner members have implemented appropriate quality control policies and procedures in their practices. The Program is aligned with the SMO1 requirements.</p> <p>The Program is a risk based model with practices being reviewed:</p> <ul style="list-style-type: none"> • once every five years where there are no systemic risk factors • once every three years where the practice signs off on audits requiring a Registered Company Auditor (RCA) registration. This reflects the higher level of public interest incumbent in these audits • within one year if significant non-compliance issues are found during a practice's initial review. This enables us to promptly assess whether appropriate remedial action has been taken by the practice. <p>As the profession and public expectations evolve, we continue to develop the program to remain relevant to the profession and to serve the public interest. We now apply a variety of review approaches tailored to the differing sizes, structures and engagements of practices.</p> <p>Quality Control Standards</p> <p>APES 320 <i>Quality Control for Firms</i> is issued by the Accounting Professional and Ethical Standards Board (APESB). CA ANZ is a member of the APESB. The standard addresses the quality control requirements for all professional accounting firms, including assurance and non-assurance aspects of each practice. All the requirements of ISQC 1 <i>Quality Control for Firms that Perform Audits and Reviews of Historical Financial Information, and Other Assurance and Related Services Engagements</i> are included in APES 320.</p> <p>ASQC 1 <i>Quality Control for Firms that Perform Audits and Reviews of Financial Reports, Other Financial Information, and Other Assurance Engagements</i> is issued by the Auditing and Assurance Standards Board (AUASB). ASQC 1 is based on ISQC 1 and is legally enforceable under the <i>Corporations Act</i>.</p> <p>For further information regarding the Program refer to https://www.charteredaccountantsanz.com/member-services/being-in-public-practice/quality-and-practice-review-program</p> | | | | | |

| # | Start Date | Actions | Completion Date | Responsibility | Resource |
|---|------------|---|-------------------------------------|---|---------------------|
| <i>New Developments and Maintaining Ongoing Processes</i> | | | | | |
| 1. | Ongoing | <p>Focus areas for 2018/2019</p> <p>Key focus areas include:</p> <ul style="list-style-type: none"> reviewing our SMO1 compliant quality review program to refine the review approach for our practices and improve member experience analysing root causes of quality control deficiencies and working with individual members and through other CA ANZ activities to address these root causes. | <p>December 2018</p> <p>Ongoing</p> | General Manager Professional Standards and Quality Review Manager | Quality Review Team |
| <i>Applicability Framework</i> | | | | | |
| 2. | Ongoing | <p>Co-regulatory framework</p> <p>The accounting profession operates within a co-regulatory environment, which means we work with other bodies to regulate and govern the work of our members.</p> <p>Our Program, which examines the work of Australian members holding a Certificate of Public Practice (CPP), is an integral part of this co-regulatory framework. Further, the Program serves our members and the public by upholding standards and protecting the CA designation.</p> | Ongoing | General Manager Professional Standards and Quality Review Manager | Quality Review Team |

| # | Start Date | Actions | Completion Date | Responsibility | Resource |
|--|------------|--|-----------------|---|---------------------|
| <i>Applicability Framework (cont.)</i> | | | | | |
| 2. | Ongoing | <p>Monitoring audit quality on behalf of the Financial Reporting Council (FRC)</p> <p>The FRC is a statutory body with responsibility for providing strategic advice in relation to audit quality in Australia. Rather than monitoring individual practices, the FRC relies on ASIC and the reviews of the professional accounting bodies to fulfil this responsibility.</p> <p>Under Section 225A of the ASIC Act, CA ANZ monitors and reports to the FRC on audit quality. This includes reviewing each practice's policies and procedures, as well as considering whether these policies and procedures have been applied in individual audit engagements.</p> <p>Working with ASIC to enhance audit quality</p> <p>We are committed to audit quality and support ASIC's role in regulating auditors. An initiative of the program is to match members with ASIC's registers of Registered Company Auditors (RCAs) and Self-Managed Superannuation Auditors (SMSF auditors). As such, we are able to ascertain whether our members who are RCAs and SMSF auditors are fulfilling their professional obligations, complementing ASIC's regulatory activities.</p> <p>CA ANZ and ASIC have an understanding that both bodies consider the timing and findings of one another's reviews, to help reduce duplication and therefore minimize disruption in practices. The mutual understanding includes:</p> <ul style="list-style-type: none"> when determining the scope and timing of an inspection, ASIC will consider CA ANZ's quality review findings in its quality reviews, CA ANZ will consider ASIC's inspection findings, and may modify the timing and scope of its reviews as a result. | Ongoing | General Manager Professional Standards and Quality Review Manager | Quality Review Team |

| # | Start Date | Actions | Completion Date | Responsibility | Resource |
|--|------------|--|-----------------|------------------------|---------------------|
| <i>Applicability Framework (cont.)</i> | | | | | |
| 2. | | Firms are encouraged to agree to ASIC informing CA ANZ that an ASIC inspection is scheduled, and to provide CA ANZ with a copy of ASIC's inspection report. | | | |
| <i>Scope of Quality & Review Program</i> | | | | | |
| 3. | Ongoing | <p><i>Practice areas covered</i></p> <p>Practice areas covered during a review include: auditing and assurance (all audits of financial statements, agreed upon procedures and review engagements), accounting/compilation, taxation, insolvency, financial planning and consulting.</p> <p><i>Types of reviews</i></p> <p>In order to maximise the benefits for practices undergoing a review, and to avoid duplication of reviews conducted by other regulators, we have developed four review approaches so reviews are tailored to the size and nature of the practice under review, as outlined below.</p> <p>1. Audit practices of major and mid-tier firms (practices with internal review processes and subject to ASIC inspection)</p> <p>Reviewer confirms internal processes are effective:</p> <ul style="list-style-type: none"> reviews practice's internal review approach and, findings and actions reviews ASIC inspection report and the practice's action plan. <p>Outcomes: CA ANZ sends the practice a review results letter, outlining any quality control deficiencies found during the review and any remedial action required.</p> | Ongoing | Quality Review Manager | Quality Review Team |

| # | Start Date | Actions | Completion Date | Responsibility | Resource |
|--|------------|---|-----------------|------------------------|---------------------|
| <i>Scope of Quality Review Program (cont.)</i> | | | | | |
| 3. | Ongoing | <p>Types of reviews (cont.)</p> <p>By taking this approach we are not duplicating existing file reviews conducted by the regulator.</p> <p>2. Other practices (including insolvency specialists)</p> <p>Reviewer visits practice and:</p> <ul style="list-style-type: none"> evaluates the overall quality control system reviews a sample of engagement files to assess whether quality control policies and procedures have been implemented and determine whether the practice has complied with relevant technical and professional standards and regulatory requirements discusses findings with the practice and reports to CA ANZ. <p>Outcomes: CA ANZ sends the practice a review results letter, outlining any quality control deficiencies found during the review and any remedial action required.</p> <p>3. Financial planning practices</p> <p>Review approach: Reviewer visits practice and evaluates overall quality control system.</p> <p>Outcomes: CA ANZ sends the practice a review results letter, outlining any quality control deficiencies found during the review and any remedial action required.</p> | Ongoing | Quality Review Manager | Quality Review Team |

| # | Start Date | Actions | Completion Date | Responsibility | Resource |
|--|------------|--|-----------------|---|---------------------|
| <i>Scope of Quality Review Program (cont.)</i> | | | | | |
| | | <p>Types of reviews (cont.)</p> <p>4. Sole practitioner conducting micro practice (defined as a practice with gross fees <\$50,000)</p> <p>Review approach:</p> <ul style="list-style-type: none"> eligible for a self-assessment review if not conducting assurance engagements. <p>Outcomes: The practice will receive a tailored feedback report outlining any remedial action required as a result of the review.</p> | Ongoing | | |
| <i>Quality Control Standards</i> | | | | | |
| 4. | | <p>Quality Control Standards</p> <p>All firms are required to implement a system of quality control in accordance with:</p> <ul style="list-style-type: none"> APES 320 <i>Quality Control for Firms</i> issued by the Accounting Professional and Ethical Standards Board (APESB). All the requirements of ISQC 1 <i>Quality Control for Firms that Perform Audits and Reviews of Historical Financial Information, and Other Assurance and Related Services Engagements</i> are included in APES 320 ASQC 1 <i>Quality Control for Firms that Perform Audits and Reviews of Financial Reports, Other Financial Information, and Other Assurance Engagements</i> is issued by the Auditing and Assurance Standards Board (AUASB). ASQC 1 is based on ISQC 1 and is legally enforceable under the <i>Corporations Act</i>. <p>A practice's system of quality control, and compliance with APES 320/ASQC 1 are reviewed during a review.</p> | Ongoing | General Manager Professional Standards and Quality Review Manager | Quality Review Team |

| # | Start Date | Actions | Completion Date | Responsibility | Resource |
|---------------------------------|------------|--|-----------------|------------------------|---------------------|
| <i>Quality Control Guidance</i> | | | | | |
| 5. | | <p>Quality Control Guidance and Assistance</p> <p>We support our members in improving and maintaining compliance with technical and professional standards by:</p> <ul style="list-style-type: none"> • referring practices to the tools and guides available on our and associated bodies' websites • providing feedback to the organisation's Learning division, so that training can be targeted to areas of higher non-compliance • keeping our quality reviewers up to date with the latest CA ANZ tools and guidance, so that this information can be passed on to practices. <p>The <i>Quality Control Guide</i> is a comprehensive, interactive on-line tool that can be tailored to individual practices, helping members to meet their obligations under APES 320 and ASQC 1 and implement and maintain an appropriate system of quality control. The Guide includes guidance notes and template documentation. The Guide is reviewed and updated regularly.</p> <p>All review documentation, including questionnaires, is available on the CA ANZ website.</p> <p>An on-line interactive quality control questionnaire designed to assist members in evaluating the quality control systems in place in their practice is available. Suitable for practices of various types and sizes, the questionnaire incorporates useful tips and links to additional resources to assist members in building a robust system of quality control. It is also a useful tool to assist practices in monitoring their quality control system. The questionnaire can be completed in stages and responses securely saved and updated if the practice's circumstances change.</p> <p>We also present the annual results of the Program to members via sessions at our various annual conferences and through our on-line training portal.</p> | Ongoing | Quality Review Manager | Quality Review Team |

| # | Start Date | Actions | Completion Date | Responsibility | Resource |
|----------------------------------|------------|--|-----------------|------------------------|--|
| <i>Review cycle</i> | | | | | |
| 6. | | <p>Review cycle</p> <p>The Program is a risk based model with practices being reviewed:</p> <ul style="list-style-type: none"> once every five years where there are no systemic risk factors once every three years where the practice signs off on audits requiring a Registered Company Auditor (RCA) registration. This reflects the higher level of public interest incumbent in these audits within one year if significant non-compliance issues are found during a practice's initial review. This enables us to promptly assess whether appropriate remedial action has been taken by the practice. | Ongoing | Quality Review Manager | Quality Review Team |
| <i>Quality Review Procedures</i> | | | | | |
| 7. | | <p>Quality Review Procedures</p> <p>CA ANZ has developed a suite of questionnaires and guidelines used by reviewers and the Quality Review Team during a review. They are reviewed and updated regularly.</p> | Ongoing | Quality Review Manager | Quality Review Team |
| <i>Review team</i> | | | | | |
| 8. | | <p>Reviewers</p> <p>Our reviewers are all experienced practitioners who work, or who have worked, in public practice, recruited because of their professional reputation, practical experience and commitment to continuous improvement in the profession. Before they are accredited to undertake reviews they complete a mandatory training program. Reviewers who are in practice are also required to have recently satisfactorily completed a quality review of their practice. Reviewers are selected for each review based on the practice profile supplied by the practice, so the reviewer has professional expertise in the type of engagements conducted by the practice under review.</p> | Ongoing | Quality Review Manager | <p>Quality Review Team</p> <p>Approximately 40 members</p> |

| # | Start Date | Actions | Completion Date | Responsibility | Resource |
|--|------------|--|-----------------|------------------------|---------------------|
| <i>Review outcomes</i> | | | | | |
| 9. | | <p>Review outcomes</p> <p>The review results letter issued at the conclusion of a review indicates one of three possible outcomes, as outlined below:</p> <ul style="list-style-type: none"> • satisfactory • re-review required in 12 months • unsatisfactory; referral to Conduct & Discipline. | Ongoing | Quality Review Manager | Quality Review Team |
| <i>Oversight of the Quality Review Program</i> | | | | | |
| 10. | | <p>Oversight of the Quality Review Program</p> <p>Quality review committee The strategic direction, content, and policies and procedures of the Program are monitored by our Quality Review Committee, which comprises Chartered Accountants and non-members. The Committee includes a quality reviewer and practitioner members from a cross-section of public practices, varying in size, specialisation and geographical location. The Committee also includes an accounting academic and three non-members who are independent of the profession and the membership, to represent the public interest and increase the transparency and robustness of the Program.</p> <p>CA ANZ publishes an Annual Report which includes information summarising review results. This is published on the CA ANZ website and available to stakeholders.</p> <p>Review of the Quality Review Program</p> <p>The Program is reviewed regularly and benchmarked against the SMO1 requirements and programs conducted in other jurisdictions.</p> | Ongoing | Quality Review Manager | Quality Review Team |

| # | Start Date | Actions | Completion Date | Responsibility | Resource |
|--|------------|---|-----------------|------------------------|---------------------|
| <i>Maintaining Ongoing Processes</i> | | | | | |
| 11. | Ongoing | Continue to ensure that CA ANZ's Quality Review Program is operating effectively and continues to meet and be in line with the requirements of SMO1. This includes the periodic review of the operation of the quality assurance system and updating the action plan for future activities where necessary. | Ongoing | Quality Review Manager | Quality Review Team |
| <i>Review of CA ANZ's Compliance Information</i> | | | | | |
| 12. | Ongoing | Review responses to SMO1 and update as necessary. | Ongoing | Quality Review Manager | Quality Review Team |

Action Plan Subject: SMO2 International Education Standards (IESs) for Professional Accountants and Other International Accounting Education Standards Board (IAESB) Guidance
Action Plan Objective: Use Best Endeavors to Ensure Continued Compliance with IES and Other IAESB Guidance

| # | Start Date | Actions | Completion Date | Responsibility | Resource |
|--|------------|---|-----------------|--|---|
| <p>Background</p> <p>CA ANZ trains, governs and supports Australia's Chartered Accountants. It is responsible for maintaining the high professional, ethical and technical requirements that are the hallmarks of the Chartered Accountant designation and for setting the professional and technical standards that are the foundation of the profession. To become a member of CA ANZ high initial professional development (IPD) standards must be met.</p> <p>At the core of these IPD standards is our own Chartered Accountants Program (the CA Program), which is developed and delivered directly by CA ANZ and is a recognised postgraduate diploma - the highest qualification awarded by a professional accounting body in Australia.</p> <p>The three IPD requirements for admission to membership of CA ANZ are an approved tertiary degree and completion of the CA Program and the practical experience requirements.</p> <p>The practical experience requirements to be admitted as a member are:</p> <ul style="list-style-type: none"> • Three years full-time (or equivalent) experience in an organisation approved by CA ANZ • Mentored by a Chartered Accountant • Demonstrated required levels of technical and non-technical competency outlined in the Candidate Practical Experience Logbook. <p>More details related to the CA Program can be found at: https://www.charteredaccountantsanz.com/become-a-member/course-descriptions/chartered-accountant</p> | | | | | |
| New Developments in Compliance with SMO2 and Continuous Improvement of the CA Program | | | | | |
| 13. | 2014 | The CA Program was independently reviewed by the Australian government's Tertiary Education Qualifications Standards Agency (TEQSA) and recredited as a Post Graduate Diploma award under the Australian Qualifications Framework for a further 7 year period until 2021. | October 2014 | CEO, Group Executive - Education and Learning, CA ANZ Board and CA ANZ Education Board | Equivalent of 25 full time staff across the CA ANZ Education Division |

| # | Start Date | Actions | Completion Date | Responsibility | Resource |
|--|---------------|---|-----------------|--|---|
| 14. | 2015 | CA ANZ released revised Professional Accreditation Guidelines for Accounting Degree programs in Australia and New Zealand to align with updated IES2 and IES3 technical competence and professional skill requirements. | July 2015 | Group Executive - Education and Learning, CA ANZ Education Board and Admissions Policy Manager | Equivalent of 25 full time staff across the CA ANZ Education Division |
| 15. | Annual | Each CA Program module is reviewed and updated for developments in learning and accounting by the Academic Module Chair and Member Advisory Panel. CA ANZ has adopted adaptive learning modules and simulations and continually amends learning and assessment activities to reflect topical issues. Access current CA Program module outlines including learning outcomes and assessment structure. | July 2015 | Senior Module Leader, Academic Module Chair, Member Advisory Panel and Education Board | 5 Senior Module Leaders, 5 Academic Module Chairs, 30+ members of Member Advisory Panels and 13 members of CA ANZ Education Board |
| IES1 - Entry Requirements to Professional Accounting Education Programs | | | | | |
| 16. | Per Trimester | Set appropriate Entry Requirements The CA Program is a degree-entry program. Program applicants are required to provide original or certified copies of full academic transcripts confirming date of award at registration. | Ongoing | CA ANZ Education Board, Group Executive - Education and Learning, Admissions Policy Manager and Enrolment and Admissions Manager | 13 full time staff and 13 Education Board Members |

| # | Start Date | Actions | Completion Date | Responsibility | Resource |
|---|------------|--|-----------------|---|--|
| 17. | Annual | <p>Monitor and Communicate Entry Requirements</p> <p>Annual and five-yearly review cycle of accredited Australian and New Zealand accounting degrees to ensure appropriate coverage of required competency areas.</p> <p>Annual review of tertiary professional accreditation guidelines to ensure compliance with IES1 and continued relevance to the profession.</p> <p>Annual review of website information to ensure entry requirements clearly communicated to potential candidates.</p> | Ongoing | Admissions Policy Manager, Careers Marketing Manager and Enrolment and Admissions Manager | 13 full time staff |
| 18. | Annual | <p>Entry Requirement Review Process</p> <p>Annual Review of admissions policies conducted and reported to the Education Board to ensure continued relevance and compliance across all IES1 requirements.</p> | Ongoing | CA ANZ Education Board, Group Executive - Education and Learning, Admissions Policy Manager | 2 full time staff 13 Education Board members |
| IES2 - Initial Professional Development - Technical Competence | | | | | |
| 19. | | <p>IPD Content Review</p> <p>Annual review of each CA program module's learning outcomes and assessment structure to ensure compliance with IES2 requirements is conducted via Module Advisory Panels and reported to the Education Board.</p> <p>Annual review of CA Competency Framework to ensure IES2 requirements are met.</p> <p>Annual review of pre-entry degree core competency areas to ensure IES2 requirements are met.</p> | Ongoing | Group Executive - Education and Learning, CA Program Development Manager, CA ANZ Education Board Module Advisory Panels | 13 full time staff 13 Education Board members and 30+ members of Member Advisory Panels |

| # | Start Date | Actions | Completion Date | Responsibility | Resource |
|--|------------|---|-----------------|--|---|
| <i>IES3 - Initial Professional Development - Professional Skills</i> | | | | | |
| 20. | Annual | <p>IPD Content Review</p> <p>Annual review of each CA program module's learning outcomes and assessment structure to ensure compliance with IES3 professional skills requirements is conducted via Module Advisory Panels and reported to the Education Board. The primary focus of each MAP is the content and syllabus of the module. The MAP provides advice and recommendations to the module development teams which will be subject to the approval of the CA ANZ Education Board. Each MAP is comprised of 5 to 9 external members plus relevant CA ANZ staff. Members are selected for their expertise in the respective module subject area.</p> <p>Annual review of CA Competency Framework to ensure IES3 requirements are met.</p> <p>Annual review of pre-entry degree core competency areas to ensure IES3 requirements are met.</p> | Ongoing | Group Executive - Education and Learning, Manager Learning and Design, CA Program Development Manager, CA ANZ Education Board and Module Advisory Panels | <p>13 full time staff</p> <p>13 Education Board members and 30+ members of Member Advisory Panels</p> |
| <i>IES4 - Initial Professional Development - Professional Values, Ethics and Attitudes</i> | | | | | |
| 21. | Annual | <p>IPD Content Review</p> <p>Annual review of program content to ensure IES4 compliance.</p> | Ongoing | Group Executive - Education and Learning, Manager Learning and Design, CA Program Development Manager, CA ANZ Education Board and Module Advisory Panels | <p>13 full time staff</p> <p>13 Education Board members and 30+ members of Member Advisory Panels</p> |

| # | Start Date | Actions | Completion Date | Responsibility | Resource |
|---|----------------|---|-----------------|--|---|
| 22. | Annual | <p>Conformity with International Ethics Standards Board for Accountants (IESBA)'s code of ethics for professional accountants</p> <p>Annual review of CA program content to ensure IES4 compliance.</p> <p>Update of APES 110 Code of Ethics for Professional Accountants in members' handbook.</p> | Ongoing | Group Executive - Education and Learning, Manager Learning and Design, CA Program Development Manager, CA ANZ Education Board and Module Advisory Panels | <p>13 full time staff</p> <p>13 Education Board members and 30+ members of Member Advisory Panels</p> |
| IES5 - Initial Professional Development - Practical Experience | | | | | |
| 23. | Each Trimester | <p>Period of practical experience is part of the pre-qualification program and a sufficient period</p> <p>CA ANZ membership admission requires 3 years full time relevant, mentored accounting experience. CA Program candidates must provide a letter of service agreement signed by their mentor and employer at the commencement of the Program and any employment change.</p> | Ongoing | Group Executive - Education and Learning and Enrolment and Admissions Manager | 13 full time staff |
| 24. | Each Trimester | <p>Practical experience period should be completed under the direction of an experienced supervisor</p> <p>CA program candidates must provide a letter of service agreement signed by their mentor and employer at the commencement of the Program and any employment change.</p> <p>Member status of a mentor is checked at the registration of each letter of agreement. Only CAs or members of recognised overseas bodies are able to mentor CA Program candidates.</p> | Ongoing | Group Executive - Education and Learning, Admissions Policy Manager and Enrolment and Admissions Manager | 13 full time staff |
| 25. | Annual | <p>Record of practical experience should be maintained and reviewed regularly with the supervisor</p> <p>Annual review of competencies outlined in Practical Experience Logbook issued to all candidates upon registration of a letter of agreement to ensure IES5 compliant.</p> | Ongoing | Group Executive - Education and Learning, Admissions Policy Manager and Enrolment and Admissions Manager | 13 full time staff |

| # | Start Date | Actions | Completion Date | Responsibility | Resource |
|--|----------------|--|-----------------|--|--|
| 26. | Quarterly | Establish appropriate assessment activities to assess that sufficient practical experience has been completed CA ANZ conducts a 6 monthly sample audit of candidate logbooks to ensure appropriate completion and mentor sign-off. | Ongoing | Group Executive - Education and Learning and CA Program Development Manager | 4 full time staff |
| 27. | Annual | Annual satisfaction survey sent to candidates, employers and mentors, includes questions relating to the practical experience requirements and related resources. | Ongoing | Group Executive - Education and Learning and Manager Learning and Design | 3 full time staff |
| 28. | Each Trimester | Candidates submit a Final Mentor Report with their application for membership confirming they have demonstrated all required technical and non-technical logbook competencies. | Ongoing | Group Executive - Education and Learning and Enrolment and Admissions Manager | 12 full time staff |
| IES6 - Assessment of Professional Capabilities and Competence | | | | | |
| 29. | Annual | IPD must include formal assessment of professional capabilities and competence based on verifiable evidence Annual review of CA Program assessment structure to ensure IES6 compliance. | Ongoing | Group Executive - Education and Learning, Manager Learning and Design, CA Program Development Manager, CA ANZ Education Board and Module Advisory Panels | 13 full time staff 13 Education Board members and 30+ members of Member Advisory Panels |
| 30. | Annual | IPD assessment activities have high levels of reliability, validity, equity, transparency and sufficiency Annual review of CA Program assessment structure to ensure IES6 compliance. | Ongoing | Group Executive - Education and Learning, Manager Learning and Design, CA Program Development Manager, CA ANZ Education Board and Module Advisory Panels | 13 full time staff 13 Education Board members and 30+ members of Member Advisory Panels |

| # | Start Date | Actions | Completion Date | Responsibility | Resource |
|---|---------------------|---|-----------------|---|---|
| <i>IES7 - Continuing Professional Development</i> | | | | | |
| 31. | Annual | <p>Promote commitment to lifelong learning for all professional accountants</p> <p>Annual review of all on-line and hard copy published content re members' professional training & development goals and objectives to ensure alignment with IES7 requirements.</p> | Ongoing | Post Programs Operations Leader | 4 full time staff |
| 32. | Annual | <p>Facilitate member access to Continuing Professional Development (CPD) opportunities</p> <p>Develop and implement an annual calendar of relevant CPD activities and promote to members via direct marketing and website. Annually track member take-up and satisfaction rates with CPD opportunities offered by CA ANZ.</p> | Ongoing | Post Programs Operations Leader | 4 full time staff |
| 33. | Annual | <p>CPD hourly completion rates of at least 120hrs over 3 year period, including at least 20hrs per year</p> <p>Annual review of By-laws and regulations to ensure CPD requirements are compliant with IES7 requirements.</p> | Ongoing | General Manager Professional Standards and Compliance Team | 2 full time staff |
| 34. | Annual and 2 yearly | <p>Process of CPD Monitoring and Enforcement</p> <p>Conduct random annual audit of membership sample to ensure compliance with CPD requirements. CPD records of members in practice are checked during their quality review. Non-compliant members to be followed up individually. Formal investigation process for members who fail to comply with minimum CPD requirements. Sanctions imposed on non-compliant members. Review of audit and sanctions process conducted every 2 years to ensure compliance with IES7 requirements.</p> | Ongoing | General Manager Professional Standards, Compliance Team and Quality Review Team/reviewers | 2 full time staff 4.6 full time staff 40+ reviewers |

| # | Start Date | Actions | Completion Date | Responsibility | Resource |
|--|------------|--|--------------------------------------|--|---|
| <i>IES8 - Professional Competence Requirements for Audit Partners Responsible for Audits of Financial Statements</i> | | | | | |
| 35. | Annual | <p>Competence requirements for Audit Professionals</p> <p>Annual review of audit content within the pre-entry degree qualification, CA Program and Lifelong Learning calendar.</p> <p>The relevant regulation is currently being reviewed, and will be amended, to ensure compliance.</p> | <p>Ongoing</p> <p>1 January 2019</p> | <p>Group Executive - Education and Learning, CA ANZ Education Board and Module Advisory Panels</p> <p>General Manager Professional Standards</p> | <p>13 full time staff</p> <p>13 Education Board members and 30+ members of Member Advisory Panels</p> |
| <i>Review of CA ANZ's Compliance Information</i> | | | | | |
| 36. | Ongoing | Review responses to SMO 2 section and update as necessary. | Ongoing | Group Executive - Education and Learning | |

Action Plan Subject: SMO3 and International Standards, Related Practice Statements and Other Papers Issued by the IAASB
Action Plan Objective: To Continue Using “Best Endeavors” to Maintain International Standards on Auditing (ISAs) as the Minimum Base on Which Australian Auditing Standards are developed and Assist in the Implementation of the Adopted Standards

| # | Start Date | Actions | Completion Date | Responsibility | Resource |
|--|------------|--|-----------------|-----------------|---------------|
| <p>Background</p> <p>The Auditing and Assurance Standards Board (AUASB) is an independent statutory body with responsibility for creation of auditing standards that are legally enforceable under the provisions of the <i>Corporations Act 2001</i>. The Strategic Direction from the Financial Reporting Council (FRC) requires the AUASB to use, as appropriate, International Standards on Auditing as a base from which to develop Australian Auditing Standards.</p> <p>The Accounting Professional and Ethical Standards Board (APESB) was established as an independent body in February 2006 as an initiative of the Institute of Chartered Accountants in Australia (now CA ANZ) and CPA Australia. CA ANZ, CPA Australia and the Institute of Public Accountants are all members of the APESB, which has issued a standard requiring members of the three professional accounting bodies to use auditing standards promulgated by the AUASB in connection with all audits undertaken in Australia (including non-Corporations Act audits).</p> <p>Australia adopted the ISAs a number of years ago and reissued all the Australian standards in Clarity format, in respect of audits of financial periods which commenced on or after 1 January 2010. The ongoing work program continues to ensure alignment.</p> <p>More details on the AUASB can be found on the website www.auasb.gov.au</p> | | | | | |
| Maintaining Ongoing Processes- Promulgating Standards and Implementation Guidance | | | | | |
| 37. | Ongoing | Standards are published in the hard copy Auditing, Assurance and Ethics Handbook. The last edition was 2017. All standards are available on the AUASB's website. | Ongoing | Product Manager | External body |
| 38. | 2010 | Development and publication of an Australian Auditing Manual based on the IFAC Small and Medium Practices (SMPs) Committee's Guide to Using International Standards on Auditing in the Audits of Small and Medium Sized Entities. The manual is updated biannually, most recently in 2017. | Ongoing | Product Manager | External body |
| 39. | 2011 | Development and publication of an Australian Auditing Manual specifically for audits of the more than 400,000 Self-Managed Superannuation Funds (i.e. small pension funds) requiring an annual audit. The manual is updated biannually, most recently in 2017. | Ongoing | Product Manager | External body |

| # | Start Date | Actions | Completion Date | Responsibility | Resource |
|---|------------|--|-----------------|--------------------------------|------------------------------|
| 40. | 2015 | Development and publication of additional resources for the auditor reporting requirements, for example: Revolutionising reporting: Why care? KAM: The matters that matter Information sheet for audit committees. | 2016 | Reporting and Assurance Leader | Reporting and Assurance Team |
| 41. | Ongoing | An integrated Continuing Professional Development program for assurance practitioners is offered through on-line and face to face offerings. Face to face options include an annual Audit Conference in most states. | Ongoing | Education Team | Education Team |
| 42. | Ongoing | Assist members with the application of standards via: <ul style="list-style-type: none"> fortnightly enewsletter technical 'Perspectives' articles on the website additional tools and resources in the library, including Art of Professional Scepticism series. | Ongoing | Reporting and Assurance Leader | Reporting and Assurance Team |
| 43. | Ongoing | Regular submissions to the AUASB (on exposure drafts and discussion papers), seeking member input into this process, and promoting the inclusion of the ISA requirements into Australia auditing standards. | Ongoing | Reporting and Assurance Leader | Reporting and Assurance Team |
| 44. | Ongoing | Through the Quality Review Program, support the application of ASAs on all audit engagements by all members (refer SMO1). | Ongoing | Quality Review Manager | Quality Review Team |
| <i>Contribution to Standard-Setting Activities of the IAASB</i> | | | | | |
| 45. | Ongoing | Regular submissions to the IAASB (on exposure drafts and discussion papers), seeking member input into this process. | Ongoing | Reporting and Assurance Leader | Reporting and Assurance Team |
| <i>Review of CA ANZ's Compliance Information</i> | | | | | |
| 46. | Ongoing | Review response to SMO 3 and update as necessary. | Ongoing | Reporting and Assurance Leader | Reporting and Assurance Team |

Action Plan Subject: SMO4 and the IESBA Code of Ethics for Professional Accountants
Action Plan Objective: Ensure Alignment of the Code of Ethics Applicable to Institute members with the IESBA Code

| # | Start Date | Actions | Completion Date | Responsibility | Resource |
|--|------------|---|-----------------|--|---|
| <p>Background</p> <p>The Accounting Professional and Ethical Standards Board (APESB) was established as an independent body in February 2006, as an initiative of the Institute of Chartered Accountants in Australia (now CA ANZ) and CPA Australia. CA ANZ nominates two members for Board positions.</p> <p>APES 110 <i>Code of Ethics for Professional Standards</i> is issued by the APESB. APES 110 represents the implementation of the IESBA Code in the Australian context, and is based on the IESBA Code, with some Australian additions. APES 110 is binding on all members of CA ANZ.</p> <p>The APES 110 <i>Code of Ethics for Professional Accountants</i> can be found in the CA ANZ Members Handbook available at www.charteredaccountants.com.au/Members/Members-Handbook.aspx</p> | | | | | |
| Proposed Code of Ethics Revisions | | | | | |
| 47. | Ongoing | Developments and amendments to the IESBA Code monitored through the Australian representative of the IESBA. | Ongoing | General Manager Professional Standards | Liaison with the Australian representative of the IESBA and their technical advisor |
| 48. | Ongoing | Responses to consultations and proposed changes discussed with the other Australian professional accounting bodies. As appropriate, submissions to IESBA exposure drafts prepared and lodged. | Ongoing | General Manager Professional Standards | Meetings and consultations conducted in accordance with the [Australian] Joint Accounting Bodies Protocol |
| 49. | Ongoing | Developments affecting CA ANZ members communicated by means of website, electronic newsletters, and <i>Acuity</i> articles. | Ongoing | General Manager Professional Standards | Communications Team |

| # | Start Date | Actions | Completion Date | Responsibility | Resource |
|--|------------|--|-----------------|---|--|
| <i>Member Notification, Education and Promotion Activities</i> | | | | | |
| 50. | 2017 | Delivery of the Professional Standards Roadshow, a series of face to face sessions for members covering issues from the Professional Standards, Conduct and Quality Review teams, including aspects of the Code of Ethics, NOCLAR. | Ongoing | General Manager Professional Standards | Professional Standards Team |
| 51. | 2017 | Update content of the CA ANZ Public Practice Program course, for members entering into practice. This course includes material based on the Code's requirements. | Ongoing | CA Program Development Manager | Professional Standards Team |
| 52. | Ongoing | Monitoring of issues reported by individual members to the Members' Enquiry Service conducted by CA ANZ's Professional Standards Team. | Ongoing | General Manager Professional Standards | Professional Standards Team |
| 53. | Ongoing | Monitoring of issues reported by individual members to the Chartered Accountants Advisory Group, a member counselling service. | Ongoing | Regional General Managers | Chartered Accountants Advisory Group members |
| <i>Review of CA ANZ's Compliance Information</i> | | | | | |
| 54. | Ongoing | Review of responses to SMO 4 and update sections relevant to SMO4 as necessary. | Ongoing | General Manager Professional Standards, Quality & Liability Capping | Professional Standards Team |

Action Plan Subject: SMO5 International Public Sector Accounting Standards (IPSASs) and Other IPSASB Guidance
Action Plan Objective: Continue to Use Best Endeavors to Incorporate the Requirements of IPSASs into National Public Sector Accounting Requirements and Persuade those Responsible for developing those Requirements that they comply with IPSAS

| # | Start Date | Actions | Completion Date | Responsibility | Resource |
|---|------------|--|-----------------|-----------------|----------------|
| <p>Background</p> <p>The Australian Accounting Standards Board (AASB) is an independent statutory body with responsibility for creation of accounting standards that are legally enforceable for Corporations Act entities. For all other, non-Corporations Act entities, the same set of standards must be used and this includes the public sector. The Strategic Direction from the Financial Reporting Council (FRC) requires the AASB to use, as appropriate, International Financial Reporting Standards (IFRS) issued by the International Accounting Standards Board (IASB) as a base from which to develop Australian Accounting Standards. Amendments to IFRSs are made as necessary for the regulatory and statutory environment, public sector requirements and not-for-profit. Where appropriate the AASB draws upon the work of the IPSASB for standard setting related to not-for-profit entities (including public sector entities).</p> <p>The AASB has previously stated in paragraph 37 of its superseded Policy Statement AASB Policies and Processes (2011), that it expects, at some time, Australian Accounting Standards relevant to the not-for-profit public sector to be based on standards set by the IPSASB. The AASB's policy on IPSASs is set out in; AASB Approach to IPSASs (October 2011). It is currently consulting on a proposed revised policy, setting out the conditions necessary for the AASB to recommend moving from IFRS Standards to IPSASs as the basis for non-for-profit public sector accounting in Australia. CA ANZ is involved in the consultation process.</p> <p>More details on the Australian Accounting Standards Board can be found on its website www.aasb.gov.au</p> | | | | | |
| Maintaining Ongoing Processes | | | | | |
| 55. | Ongoing | Standards are published in the hard copy Financial Reporting Handbook. The last edition was 2017. All standards are available on the AASB's website. | Ongoing | Product Manager | External body |
| 56. | Ongoing | <p>An integrated Continuing Professional Development program is offered through online and face to face offerings.</p> <p>Face to face options include an Annual Accounting Conference in most states, including a financial reporting stream.</p> | Ongoing | Education Team | Education Team |

| # | Start Date | Actions | Completion Date | Responsibility | Resource |
|--|------------|---|-----------------|--|---------------------------------------|
| 57. | Ongoing | Assist members with the application of standards via: <ul style="list-style-type: none"> • fortnightly enewsletter • technical 'Perspectives' articles on the website • additional tools and resources in the library. | Ongoing | Reporting and Assurance Leader | Reporting and Assurance Team |
| 58. | Ongoing | Regular submissions to the AASB (on exposure drafts and discussion papers), seeking member input into this process, and promoting the inclusion of the IPSASs into the requirements of Australia accounting standards. | Ongoing | Reporting and Assurance Leader | Reporting and Assurance Team |
| 59. | Ongoing | CA ANZ has created a new role to support members in the public sector. | Ongoing | General Manager Public Sector Segment | General Manager Public Sector Segment |
| <i>Contribution to Standard-Setting Activities of the IPSASB</i> | | | | | |
| 60. | Ongoing | CA ANZ participates in funding the Australian IPSAS board member. | Ongoing | Group Executive - Advocacy and Professional Standing | Reporting and Assurance Leader |
| 61. | Ongoing | Before each IPSASB board meeting, a teleconference is held with CA ANZ, AASB, NZASB and the Australian and New Zealand IPSAS board members to review and provide technical comment on board papers. | Ongoing | Reporting and Assurance Leader | Reporting and Assurance Team |
| 62. | Ongoing | Regularly make submissions to the IPSASB (on exposure drafts and discussion papers), seeking member input into this process. | Ongoing | Reporting and Assurance Leader | Reporting and Assurance Team |
| <i>Review of CA ANZ's Compliance Information</i> | | | | | |
| 63. | | Periodic review of responses to SMO 5 and update as necessary. | Ongoing | Reporting and Assurance Leader | Reporting and Assurance Team |

Action Plan Subject: SMO6 and Investigation and Discipline
Action Plan Objective: Ensure Ongoing Compliance with SMO6 and Enhancement of Process as Required

| # | Start Date | Actions | Completion Date | Responsibility | Resource |
|---|------------|---------|-----------------|----------------|----------|
| <p>Background</p> <p>The Conduct & Discipline Team is the disciplinary arm of CA ANZ. The complaint and disciplinary process operated by Conduct & Discipline regulates the behavior of its members to ensure compliance with the By-laws and Regulations of CA ANZ, the Code of Ethics (the 'Code') and technical standards. The Code sets out the professional and ethical requirements for members and is based on the fundamental principles of integrity, objectivity, professional competence and due care, confidentiality and professional behaviour. The power to take disciplinary action against members, the procedure to be followed and the sanctions which may be imposed are contained in the By-laws.</p> <p>The complaint and disciplinary process involves the investigation by the Professional Conduct Committee (PCC) of complaints made against members or other issues concerning their conduct. Complaints can come from many sources including, clients, as the result of court action or action by a statutory regulator. Where the PCC concludes that there was non-compliance by the member with the By-laws, Regulations, Code or Standards, the member's conduct can be referred to the Disciplinary Tribunal of CA ANZ. The disciplinary process is limited to imposing sanctions on a member and cannot provide any form of compensation or restitution to a complainant. In some instances where the PCC considers a member's conduct is not optimal, but where it is not sufficiently serious to be referred to the Tribunal, the PCC has the ability to give the member a 'warning' or require a quality review.</p> <p>Where members are referred to the Disciplinary Tribunal, the sanctions that the Tribunal can impose include a reprimand, cancellation of their Certificate of Public Practice, removal of the member's fellowship status and reversion to the status of a Chartered Accountant (where relevant) or termination of membership of CA ANZ. CA ANZ also recognises that whilst the principal role of the complaint process is to monitor members' compliance with the By-laws, the process also acts as a mechanism to provide feedback to members about conduct which should be avoided.</p> <p>Following an external review, new By-laws were introduced on 28 July 2016. These new By-laws implemented a number of changes to the complaint and disciplinary process to improve:</p> <ul style="list-style-type: none"> • the experience of members who have a complaint made against them • the governance of CA ANZ's disciplinary framework • the alignment between the Australian and NZICA's disciplinary framework. <p>As a result of the implementation of the new By-laws, CA ANZ's Member Conduct & Discipline procedures are aligned with the SMO6 requirements to the extent permitted by local laws.</p> <p>More details related to the processes for Member Conduct & Discipline at CA ANZ can be found at: https://www.charteredaccountantsanz.com/about-us/complaints/complaints-about-a-member</p> | | | | | |

| # | Start Date | Actions | Completion Date | Responsibility | Resource |
|-----|------------------|---|-----------------|---|--|
| 64. | 2016 and ongoing | <p>Para 10 (Just and Effective System)</p> <p>Following the change of By-laws on 28 July 2016 to strengthen the professional conduct processes, the newly formed Professional Conduct Oversight Committee (PCOC) has ongoing oversight responsibility for the integrity, timeliness and effectiveness of the exercise of the disciplinary procedures and sanctions by the PCC, the Disciplinary Tribunal and the Appeals Tribunal.</p> | Ongoing | CA ANZ Board, PCOC, Group Executive - Advocacy and Professional Standing | General Manager Professional Standards, Conduct & Discipline Manager and Conduct & Discipline Team |
| 65. | Ongoing | <p>Para 11 (Information and Guidance) Ongoing review of guidance material on professional conduct process on CA ANZ website</p> <ul style="list-style-type: none"> • Publish periodic articles, guidance and disciplinary decisions (including in CA ANZ's Acuity magazine and website) • present at conferences (including Audit Conferences in 2018) • provide content for the Public Practitioners Program and Ethics course • present the Professional Standards Roadshow, all of which provide information and training to members regarding the need to comply with standards and professional requirements. | Ongoing | General Manager Professional Standards, Conduct & Discipline Manager and Group Executive - Education & Learning | Conduct & Discipline Team |
| 66. | Ongoing | <p>Para 12 (Constitution)</p> <p>Ensure that any changes to legislation or regulatory environment are adequately reflected in powers to take disciplinary action.</p> | Ongoing | PCOC, General Manager Professional Standards and Conduct & Discipline Manager | Conduct & Discipline Team |

| # | Start Date | Actions | Completion Date | Responsibility | Resource |
|-----|------------|--|-----------------|---|---------------------------|
| 67. | Ongoing | <p>Para 14 (Proportional Response)</p> <p>The Professional Conduct Regulations (to which the By-laws require the Tribunals to have regard) set out guidelines for the imposition of sanctions which require the consideration by the Tribunals of these and other issues. Further, a proportional response is elaborated in relation to individual member's responsibility versus an issue with the firm, in submissions by CA ANZ on sanctions to the Tribunals.</p> | Ongoing | General Manager Professional Standards and Conduct & Discipline Manager | Conduct & Discipline Team |
| 68. | Ongoing | <p>Para 17 (Investigative Powers)</p> <p>The By-laws provide that members must provide information and documents as requested by the PCC. The PCC ensures that its powers to co-operate are invoked where necessary and, where they fail to do so, refers members to the Tribunal for appropriate sanctions.</p> | Ongoing | Conduct & Discipline Manager | Conduct & Discipline Team |
| 69. | Ongoing | <p>Para 18 (Expertise and resources)</p> <p>Qualified legal personnel are employed to carry out investigations on behalf of the PCC and resources are provided to support the PCC and the Disciplinary and Appeals Tribunals. Regular training is provided to the PCC and Tribunal panel members. Appropriate resources are available including access to legal advice, where required.</p> | Ongoing | PCOC, General Manager Professional Standards and Conduct & Discipline Manager | Conduct & Discipline Team |
| 70. | Ongoing | <p>Para 19 (Composition of Investigative and Disciplinary Teams)</p> <p>The PCC is responsible for investigating matters. It is comprised of a mix of accountants and non-accountants, and assisted by the Conduct & Discipline Team. Disciplinary Tribunals are also comprised of a mix of accountants and non-accountants.</p> | Ongoing | PCOC, General Manager Professional Standards and Conduct & Discipline Manager | Conduct & Discipline Team |

| # | Start Date | Actions | Completion Date | Responsibility | Resource |
|-----|------------|---|-----------------|------------------------------|--|
| 71. | Ongoing | <p>Para 20-22 (Initiation of Proceedings)</p> <p>CA ANZ has a complaints based and information based approach to investigation, accepting complaints from the public, referrals from regulators and by conducting various media and other searches for relevant information.</p> | Ongoing | Conduct & Discipline Manager | Conduct & Discipline Team |
| 72. | Ongoing | <p>Para 23 (Referral from Quality Assurance Review)</p> <p>Referrals to the conduct & discipline team by the quality review team take place in the following circumstances:</p> <ul style="list-style-type: none"> • non co-operation by the member • where a quality review reveals a serious failing or the review reveals a less serious failing which has not been corrected by the time of a follow-up review. | Ongoing | Quality Review Manager | Conduct & Discipline Team and Quality Review Team |
| 73. | Ongoing | <p>Para 24 (Independence) Ensure that all Committee and Tribunal members involved in a particular investigation are free from any potential or actual conflict of interest</p> <p>Operating Guidelines for the PCC and Tribunals explain issues in relation to conflicts of interest and specifically provide that panel members shall be free of conflicts. This is checked before panel members consider a complaint. The Guidelines are provided to panel members when inducted into their role and are easily accessible at all times.</p> <p>Conduct & Discipline staff who assist in the investigation process are lawyers and not members of the accounting profession.</p> | Ongoing | Conduct & Discipline Manager | Professional Conduct Committee Secretary, Discipline Team Assistant and Tribunal Secretary |

| # | Start Date | Actions | Completion Date | Responsibility | Resource |
|-----|------------|--|-----------------|---------------------------------------|----------------------------|
| 74. | Ongoing | <p>Para 25 & 26 (Decision to take disciplinary action)</p> <p>All substantive decisions in relation to complaints are taken by the PCC, including referring a member to the Disciplinary Tribunal. The PCC also has the power to enter into an agreement with a member to impose certain sanctions, in circumstances where the PCC considers that a complaint would otherwise warrant being referred to the Tribunal.</p> | Ongoing | PCOC and PCC | Conduct & Discipline Team |
| 75. | Ongoing | <p>Para 27 (Disciplinary Process)</p> <p>Ensure compliance with requirements for hearings, composition of Tribunals as required by the By-laws and schedule hearings as quickly as possible in all circumstances.</p> | Ongoing | PCOC and Conduct & Discipline Manager | Conduct & Discipline Team |
| 76. | Ongoing | <p>Para 29 (Legal adviser for Tribunals)</p> <p>Under the By-laws a legal adviser has been appointed to advise the Tribunals on matters of law, procedure and evidence.</p> <p>Prosecutions are either conducted by an external lawyer or a senior staff member with legal qualifications and experience from the Conduct & Discipline Team.</p> | Ongoing | PCOC and Conduct & Discipline Manager | Secretary to the Tribunals |
| 77. | Ongoing | <p>Para 30 (Independence) Ensure that independence of tribunals and process is maintained</p> <p>The composition of Tribunals and their operation, including their independent decision making function, are determined under the By-laws of CA ANZ.</p> <p>Refer comments regarding paragraph 24 above.</p> | Ongoing | PCOC | Conduct & Discipline Team |

| # | Start Date | Actions | Completion Date | Responsibility | Resource |
|-----|------------|---|-----------------|---|---------------------------|
| 78. | Ongoing | <p>Para 31 and 32 (Sanctions)</p> <p>Ensure that Tribunal members (especially Chairs) are familiar with the range of sanctions available under the By-laws. Under local law, the Tribunals do not have the power to remove individuals from practice altogether, but the other sanctions referred to are available.</p> | Ongoing | Secretary to Tribunals and Conduct & Discipline Manager | Conduct & Discipline Team |
| 79. | Ongoing | <p>Para 33 & 34 (Sanctions)</p> <p>The Professional Conduct Regulations (to which the By-laws require the Tribunals to have regard) set out guidelines for the imposition of sanctions which require the consideration by the Tribunals of these and other issues. Further, submissions are made regarding these issues as appropriate, by CA ANZ on sanctions to the Tribunals. Tribunal members include both accountant and non-accountant members and the combination of the two groups means both the interests of the member and the public interest are considered. Training is also provided to disciplinary panel members on proportionality of sanctions.</p> | Ongoing | General Manager Professional Standards and Conduct & Discipline Manager | Conduct & Discipline Team |
| 80. | Ongoing | <p>Para 35 (Rights of representation and appeal)</p> <p>Ensure that members are aware of rights of representation and appeal rights under the By-laws, including that members may be represented at all disciplinary hearings and advised throughout the investigative and disciplinary process. Ensure members continue to be advised of their right to appeal the findings and any imposed sanction.</p> | Ongoing | Conduct & Discipline Manager | Conduct & Discipline Team |
| 81. | 2016 | <p>Para 36 (Appeal by member's governing body)</p> <p>Appeals can be made by either the member or the PCC.</p> | Ongoing | PCOC and General Manager Professional Standards | Conduct & Discipline Team |

| # | Start Date | Actions | Completion Date | Responsibility | Resource |
|-----|------------|--|-----------------|---|--|
| 82. | Ongoing | <p>Para 37, 38 and 39 (Time Targets and Tracking)</p> <p>Timeframe targets for the disposal of cases are monitored by the PCOC.</p> <p>The complaints database will be redeveloped to assist with the monitoring of these targets.</p> | Ongoing | PCOC, General Manager Professional Standards and Conduct & Discipline Manager | Conduct & Discipline Team |
| 83. | Ongoing | <p>Para 42 (Confidentiality) Ensure that all members and staff involved in process maintain confidentiality</p> <p>The Operating Guidelines ensure that all members of the Tribunal and all persons concerned in the disciplinary process maintain confidentiality. All Committee and Tribunal appointments contain terms as to confidentiality. Further, staff dealing with investigations and disciplinary hearings are also required to maintain confidentiality, through their employment agreements.</p> <p>CA ANZ's Professional Conduct Regulation has been amended to impose an obligation to maintain confidentiality on all relevant parties to the complaints, investigation and disciplinary process.</p> | Ongoing | General Manager Professional Standards and Conduct & Discipline Manager | Conduct & Discipline Team and Human Resources Team |
| 84. | Ongoing | <p>Para 43 (Security of records)</p> <p>Only dedicated Conduct & Discipline staff have access to hard copy or on-line records. Each complaint file is allocated a discrete file number and a register of files is maintained by the Conduct & Discipline Team. Complaint and disciplinary files are provided to PCC and Tribunal panel members by secure portal.</p> | Ongoing | Conduct & Discipline Manager | Conduct & Discipline Team |
| 85. | Ongoing | <p>Para 44 & 45 (Maintenance of records)</p> <p>Refer comments regarding paragraph 43 above. In addition closed files are archived in accordance with the strict security procedures of CA ANZ.</p> | Ongoing | Conduct & Discipline Manager | Conduct & Discipline Team |

| # | Start Date | Actions | Completion Date | Responsibility | Resource |
|-----|------------|--|-----------------|--|--|
| 86. | Ongoing | <p>Para 47 (Public awareness of investigative and disciplinary system)</p> <p>The investigative and disciplinary system of CA ANZ is publicised on the website and in the Annual Report, and results of Tribunal hearings and some PCC decisions are published in <i>Acuity</i> magazine and the website.</p> | Ongoing | Conduct & Discipline Manager | Conduct & Discipline Team |
| 87. | Ongoing | <p>Para 48 and 49 (Review of Decisions not to take disciplinary action)</p> <p>The By-laws provide for the appointment of a legally qualified and independent reviewer. The reviewer will, on request of either the complainant or the member, review the decision and file of the PCC where the complaint was concluded by the PCC. Complaints referred to the Tribunals are not able to be referred to the reviewer. The reviewer will report back to the parties involved in the complaint and can recommend that the PCC reconsider its decision.</p> | Ongoing | PCOC and Conduct & Discipline Manager | Conduct & Discipline Team |
| 88. | Ongoing | <p>Para 50 and 51 (Publication of Annual Report)</p> <p>CA ANZ publishes an Annual Report which includes information summarising the results of investigative and disciplinary proceedings. This is published on the CA ANZ website and available to stakeholders.</p> | Ongoing | CA ANZ Board | Conduct & Discipline Team |
| 89. | Ongoing | <p>Para 52 (Liaison with outside bodies)</p> <p>There are restrictions in local laws on reporting involvement in serious crimes and offences by members to the appropriate public authority. CA ANZ engages in regular liaison with statutory and regulatory bodies to promote an effective co-regulatory framework.</p> | Ongoing | General Manager Professional Standards | General Manager Professional Standards |

| # | Start Date | Actions | Completion Date | Responsibility | Resource |
|--|------------|--|-----------------|---|---------------------------|
| 90. | Ongoing | <p>Para 53 (Publication of results of disciplinary proceedings to other professional accounting bodies or other professional associations)</p> <p>Tribunal decisions are advised to other professional accounting bodies, professional associations and regulators as determined by the Tribunals. The PCC also has the power to do this in some circumstances.</p> | Ongoing | PCOC, General Manager Professional Standards and Conduct & Discipline Manager | Conduct & Discipline Team |
| 91. | Ongoing | <p>Para 54 (Review of Implementation and Effectiveness)</p> <p>Reviews are done regularly as part of the review of compliance with SMO6 by the PCOC and Conduct & Discipline staff. A post-implementation review of the new By-laws has just been undertaken and has identified that the new system is working very effectively, although some minor changes to the By-laws have been proposed.</p> | Ongoing | PCOC, General Manager Professional Standards and Conduct & Discipline Manager | Conduct & Discipline Team |
| <i>Review of CA ANZ Compliance Information</i> | | | | | |
| 92. | Ongoing | Whenever significant changes to investigation and disciplinary processes are being contemplated, ensure that they comply with SMO6 and, where necessary advise IFAC of any changes which should be reflected in IFAC documentation. | Ongoing | PCOC and General Manager Professional Standards | Conduct & Discipline Team |

Action Plan Subject: SMO7 and IFRS and Other IASB Pronouncements

Action Plan Objective: Continue to Use “Best Endeavors” to Ensure that Australian Accounting Standards (AAS) Remain Equivalent to IFRS

| # | Start Date | Actions | Completion Date | Responsibility | Resource |
|--|------------|--|-----------------|--------------------------------|------------------------------|
| <p>Background</p> <p>The Australian Accounting Standards Board (AASB) is an independent statutory body with responsibility for creation of accounting standards that are legally enforceable for Corporations Act entities. For all other, non-Corporations Act entities, the same set of standards must be used. These standards incorporate a differential reporting framework for entities that are determined to be non-reporting entities, hence these entities are not required to comply with IFRS. The Strategic Direction from the Financial Reporting Council (FRC) requires the AASB to use, as appropriate, International Financial Reporting Standards (IFRS) issued by the International Accounting Standards Board (IASB) as a base from which to develop Australian Accounting Standards for reporting entities. Amendments to IFRSs are made as necessary for the regulatory and statutory environment, public sector requirements and not-for-profit.</p> <p>Australian reporting entities must comply with Australian Accounting Standards and Interpretations, as issued by the AASB. For reporting entities not deemed ‘publicly accountable’ a reduced disclosure option, Reduced Disclosure Regime (RDR), is available. The RDR adopts the full recognition and measurement requirements of all Australian Accounting Standards (which are equivalent to IFRSs), with reduced disclosure requirements. Entities with public accountability cannot adopt the RDR and therefore must comply with Australian Accounting Standards in full (and state compliance with IFRS).</p> <p>More details on the Australian Accounting Standards Board can be found on its website www.aasb.gov.au</p> | | | | | |
| Maintaining Ongoing Processes | | | | | |
| 93. Please remove blue line above. | Ongoing | Assist members with the application of standards via: <ul style="list-style-type: none"> fortnightly newsletter technical ‘Perspectives’ articles on the website additional tools and resource in the library, including Directors’ responsibilities for financial reporting. | Ongoing | Reporting and Assurance Leader | Reporting and Assurance Team |
| 94. | 2017 | Development and publication of ‘blueprints’ for new accounting standards, including; financial instruments, revenue and leases. | 2018 | Reporting and Assurance Leader | Reporting and Assurance Team |
| 95. | Ongoing | An integrated Continuing Professional Development program is offered through online and face to face offerings. Face to face options include an Annual Accounting Conference in most states, including a financial reporting stream | Ongoing | Education and Learning Team | Education and Learning Team |

| # | Start Date | Actions | Completion Date | Responsibility | Resource |
|--|------------|---|-----------------|--------------------------------|------------------------------|
| 96. | Ongoing | Standards are published in the hard copy Financial Reporting Handbook. The last edition was 2017. All standards are available on the AASB's website. | Ongoing | Product Manager | External body |
| 97. | Ongoing | Regular submissions to the AASB (on exposure drafts and discussion papers), seeking member input into this process, and promoting the inclusion of IFRS into the requirements of Australia accounting standards and to align with IFRS. | Ongoing | Reporting and Assurance Leader | Reporting and Assurance Team |
| <i>Contribution to Standard-Setting Activities of the IASB</i> | | | | | |
| 98. | Ongoing | Regular submissions to the IASB (on exposure drafts and discussion papers), seeking member input into this process. | Ongoing | Reporting and Assurance Leader | Reporting and Assurance Team |
| <i>Review of CA ANZ's Compliance Information</i> | | | | | |
| 99. | Ongoing | Periodic review of responses to SMO 7 and update sections as necessary. | Ongoing | Reporting and Assurance Leader | Reporting and Assurance Team |

29 October 2018

Ms Prinsloo
Executive Director, Strategy, and Chief Operating Officer
International Federation of Accountants
529 Fifth Avenue
New York NY 10017
USA

Email: altaprinsloo@ifac.org

Dear Ms Prinsloo

Subject: Letter to Confirm Institutional Support for the SMO Action Plan

This letter is to confirm that the leadership of Chartered Accountants Australia and New Zealand - Australia has reviewed the information contained in the SMO Action Plan prepared by Chartered Accountants Australia and New Zealand - Australia as part of the IFAC Member Compliance Program and will provide institutional support for its implementation.

On behalf of the leadership of Chartered Accountants Australia and New Zealand - Australia, I endorse publication of the SMO Action Plan 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.

Yours sincerely



Simon Grant FCA
Group Executive - Advocacy & International