

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:	Ukrainian Federation of Professional Accountants and Auditors (UFPAA)
Approved by Governing Body:	Main Board
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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.

GLOSSARY

ACCA	Association of Certified and Chartered Accountants (UK)	ISQC 1	International Standard on Quality Control 1
AICPA	American Institute of CPAs	IESs	International Education Standards
ACU	Auditing Chamber of Ukraine	IFAC	International Federation of Accountants
CECCAR	The Body of Expert and Licensed Accountants of Romania	IFRIC	International Financial Reporting Interpretations Committee
CFRR	Center for Financial Reporting Reform (World Bank)	IFRSs	International Financial Reporting Standards
CGA	Certified General Accountants Association of Canada	IPSASs	International Public Sector Accounting Standards
CNCC	Compagnie Nationale des Commissaires aux Comptes (National Organization of Commissioners of Accounting), France	IPSASB	International Public Sector Accounting Standards Board
CPA	Certified Public Accountant	ISAs	International Standards on Auditing
CAP/CIPA	Certified Accounting Practitioner/ Certified International Professional Accountant	IT	Information Technologies
CEPU	Crimean Engineering and Pedagogical University	I&D	Investigation and Discipline
CPD	Continuous Professional Development	KIBR	National Chamber of Statutory Auditors
ECCAA	Eurasian Council of Certified Accountants and Auditors	MKVK	Chamber of Hungarian Auditors
FEE	Federation of European Accountants	MoE	Ministry of Education, Science, Youth and Sports of Ukraine
FIDEF	Fédération International des Experts-Comptables Francophones	MoF	Ministry of Finance of Ukraine
FINREP	Financial Sector Development Project	NASs	National Accounting Standards
IAASB	International Auditing and Assurance Board	NBU	National Bank of Ukraine
ICAEW	International Chartered Accountants in England and Wales	QA	Quality Assurance
IESBA	International Ethics Standards Board for Accountants	QC	Quality Control
IPBR	Institute of Professional Auditors and Accountants of Ukraine	REPARIS	The Road to Europe: Program of Accounting Reform and Institutional Strengthening
		SCSSM	State Commission for Securities and Stock Market
		SMEs	Small and Medium Sized Entities
		SMOs	Statement of Membership Obligations
		SMPs	Small and Medium Practitioners
		STAREP	Strengthening Auditing and Reporting in the Countries of the Eastern Partnership

Action Plan Subject: SMO 1–Quality Assurance
Action Plan Objective: Use Best Endeavors to Promote Awareness of the Revised Quality Assurance to CPA RK Members and Relevant Bodies

Background:

The activities of auditors in Ukraine are regulated by the Auditing Chamber of Ukraine (ACU). ACU is responsible for implementation of External Quality Assurance Review Program (QA) since 2018. Audit activity is regulated by a new Law of Ukraine “Audit on Financial Reporting and Auditing” (No. 2258-VIII) which was adopted in December 2017 (<http://zakon5.rada.gov.ua/laws/show/2258-19>). The new Law adopted the Directive 2014/56/EU of the European Parliament and of the Council of 16 April 2014 amending Directive 2006/43/EC on statutory audits of annual accounts and consolidated accounts

<https://eur-lex.europa.eu/legal-content/EN/TXT/?uri=celex%3A32014L0056>

The law is effective since October 2018. According to this law, a new ACU was founded on 14.07.2018 with its Board consisting of 11 members, of which 4 are UFAA delegates. The new ACU will maintain a register of auditors and audit companies.

UFPAA together with the regulators are actively participating in the World Bank Centre for Financial Reporting Reform (CFRR) project on Strengthening Auditing and Reporting in the Eastern Partnership countries (STAREP).

UFPAA members participate in the ACU Quality Assurance Committee. UFPAA promotes the best global and European QA practices through conferences, workshops and its magazine so that QA system in Ukraine become as independent as possible.

Action Steps:

#	Start Date	Actions	Completion Date	Responsibility	Resource
<i>Supporting Adaptation and Implementation of a QA Review System</i>					
1.	February 2018	QA is under revision according to the new law. The QA review system with help of Ministry of Finance of Ukraine.	Ongoing	MoF, ACU	ACU, MoF
2.	January 2010	Learn experience of IFAC member organizations representing accountants with regards to their QA system.	Ongoing	UFPAA Auditing Committee	UFPAA
3.	June 2018	Training Organization of the quality control system of the audit company.	Ongoing	UFPAA Auditing Committee	UFPAA
4.	May 2018	Cross border round table on QA, jointly with Slovakia Audit Chamber	Completed	Executive Directorate	UFPAA
5.	February 2017	UFPAA organized Regional Conferences jointly with ACU and the World Bank STAREP Project	Completed	Project STAREP of World Bank, ACU, UFPAA	Project STAREP of World Bank, ACU, UFPAA
6	August 2018	Audit Chamber of Ukraine and POB are responsible by local law for mandatory quality assurance reviews covered the statutory audits. The UFPAA will develop the initiative quality assurance (QA) review scheme in Ukraine, in accordance with the requirements of SMO 1.	December, 2018	UFPAA Auditing Committee and ACU	UFPAA and ACU

Main Requirements of SMO 1

Requirements	Y	N	Partially	Comments
Scope of the System 1. At a minimum, mandatory QA reviews are required for all audits of financial statements.	Y			Country level: According to Article 18 of new Law 'Audit of Financial Reporting and Auditing' companies are required for obligatory audit: - representing the public interest (securities issuers, securities which are admitted to stock trading securities which are admitted to stock trading, banks, insurers, non-state pension funds, other financial institutions (except other financial institutions and non-state pension funds belonging to micro and small enterprises), which according to this Law belong to large enterprises); - public joint stock companies; - engaged on minerals extraction of national importance. QA will be carried out by a special inspection under public oversight body.
Quality Control Standards and Other Quality Control Guidance 2. Firms are required to implement a system of quality control in accordance with the quality control standards.	Y			Country level: According to Law 'Audit of Financial Reporting and Auditing' in order to ensure audit quality the audit firms are required to draft, approve and comply with policies and procedures for audit quality control in accordance with the legislation in force, auditing standards, quality control standards and the Code of Ethics. UFPAA: organizes workshops and online courses on the organization of the QA system in audit companies.
3. Most up to date versions of ISQC 1 and other relevant ISA are adopted as the quality control standards.	Y			Country level: The Handbook of International Quality Control, Auditing, Review, Other Assurance, and Related Services Pronouncements (2016-2017 Edition) have been adopted by Decision No. 361 08-06-2018 of ACU . UFPAA organizes workshops and online courses about QA.
4. Member Body assists firms in understanding the objectives of quality control and in implementing and maintaining appropriate systems of quality control.	Y			Country level: An accredited education center assists firms in understanding the objectives of quality control and in implementing and maintaining appropriate systems of quality control. UFPAA: The UFPAA training center was accredited by the Audit Training Center.
Review Cycle 5. A cycle-based, risk-based, or a mixed approach for selecting firms for QA review is used.			P	Country level: According to Law 'Audit of Financial Reporting and Auditing' firms performing audit of public companies will be subject to external quality control every 3 years.
6. For cycle-based approach, quality control reviews are required to take place at least every six years (and every three years for audits of public interest entities).			P	Country level: According to Law 'Audit of Financial Reporting and Auditing' firms performing audit of public companies will be subject to external quality control every 3 years.

Requirements	Y	N	Partially	Comments
QA Review Team 7. Independence of the QA Team is assessed and documented.			P	Country level: The legislation in force requires that during exercise of quality assurance control, the specialists of the Control and Verification Service are not entitled to conduct audits as part of the audit firm. UFPAA proposed Declaration about independence of the QA Team will assessed and documented.
8. QA Team possesses appropriate levels of expertise.	Y			Country level: The new Law contains detailed and clear provisions in that respect. According to that Law in force the specialists of the Control and Verification Service are required to poses adequate skills and knowledge and to maintain continuing professional development. UFPAA: The person responsible for reviewing the quality assurance has got PHD, professional experience and specific training in conducting QA reviews.
Reporting 9. Documentation of evidence supporting the quality control review report is required.			P	Country level: Bylaws and methodologies to be adopted after October 2018 will contain more detailed and clear provisions in that respect.
10. A written report is issued upon conclusion of the QA review and provided to the firm/partner reviewed.			P	Country level: Bylaws and methodologies to be adopted after October 2018 will contain more detailed and clear provisions in that respect.
Corrective and Disciplinary Actions 11. Reviewed firms/partners are required to make timely adjustments to meet recommendations from the review report.	Y			Country level: The new law require auditors and audit firms to comply with requirements for audit quality control
12. QA review system is linked to the Investigation and Discipline system.			P	Country level: The new Law prescribes the types of sanctions and manner of application; these are in line with the recommendations of the Directive 2006/43/EC. UFPAA: workshops and online courses of UFPAA for auditors helps to prevent the sanctioned consequences for auditing companies.
Consideration of Public Oversight 13. The body responsible for QA reviews cooperates with its oversight body and shares information on the functioning of the QA review system, as needed.			P	UFPAA plans to work with the Oversight Body to improve the CPD process
Regular Review of Implementation and Effectiveness 14. Regular reviews of implementation and effectiveness of the system are performed.			P	Country level: Oversight Body after two years will conduct review on the implementation and effectiveness of control systems.

Action Plan Subject: SMO 2 – International Education Standards for Professional Accountants and Other Pronouncements Issued by the IAESB.
Action Plan Objective: Promote International Education Standards (IES) Requirements to All Stakeholders in Accounting Education.

Background:

Before July 2018, certification and continuous professional development of auditors were regulated by the Law of Ukraine "On Audit Activities" dated April 22, 1993 and were fully the responsibility of the ACU.

Assignment of qualification does not provide mandatory certification in accounting in Ukraine. The process for higher education is fully regulated by the Law "On Higher Education" and is the responsibility of the MoE and the institutions of higher education. UFPAA voluntarily accepted the commitment to certify its members with its own program and started its certification process back in 1997, and since 2002 it has been implementing an international CIPA program for the certification of its members. UFPAA's entry requirements include a higher education (university) diploma in accounting and auditing (now – accounting and taxation). UFPAA cooperates with the leading universities of Ukraine and the MoE in the implementation of the requirements of IES at the initial professional development, improvement of educational programs of higher education and opportunities for facilitating entry into the profession due to the recognition of university exams according to the competence of the UFPAA Certification Program.

UFPAA members are required to improve their qualification (CPD) annually. The Committee on Professional Education, along with the Executive Directorate and Educational Center creates opportunities for the members for further professional development through the appropriate events (conferences, publication of articles, books, monographs, conducting trainings, etc.) as required by ISE 7. The Committee intends to review the existing provisions of certification and CPD to establish better compliance with ISE 7 and improves forms and methods of advanced training. In 2017, the UFPAA Training and Methodological Center obtained permission to conduct CPD for auditors of Ukraine using programs of the mandatory annual improvement of auditors' professional knowledge which are approved by the Audit Chamber of Ukraine. With the entry into force of the new Law of Ukraine 'On Audit of Financial Reporting and Audit Activity' which provide for creating a new auditor certification body, this UFPAA responsibility will end in October 2018. UFPAA delegated its members to the certification committee to the new ACU.

Action Steps:

#	Start Date	Actions	Completion Date	Responsibility	Resource
<i>Improvement of the initial professional development process</i>					
6.	April 2017	Providing review and expert opinion on the draft Standard of higher education in Ukraine in <i>Accounting and taxation</i> for the first (bachelor) level at the request of the Ministry of Education and Science of Ukraine	Completed	Chairman of the Committee of Professional Education and Certification	Committee of Professional Education and Certification, members of EduCOP STAREP
7.	December 2017	Providing review and expert opinion on the draft Standard of higher education in Ukraine in <i>Accounting and taxation</i> for the second (master) level for the request of the MoE	Completed	Chairman of the Committee of Professional Education and Certification	Committee of Professional Education and Certification

#	Start Date	Actions	Completion Date	Responsibility	Resource
8.	January 2018	Discussion of the standards of higher education in <i>Accounting and taxation</i> at international conferences, where UFPAA is a co-organizer*	Ongoing	Executive Directorate, Chairman of the Committee of Professional Education and Certification	Committee of Professional Education and Certification
9.	December 2017	Participation in the development of the Concept <i>Improvement of the education system and continuous professional development of accountants and auditors in Ukraine</i> which is designed., inter alia, to implement the requirements of IES 1-6 at the level of higher education in the field of accounting	Completed	Chairman of the Committee of Professional Education and Certification	Members of the Committee - EduCOP STAREP members
10.	July 2018	Development of the requirements for accreditation of higher education institutions so that their examinations results in the area of competence are recognized for the first level UFPAA certification	Ongoing	Chairman of the Committee of Professional Education and Certification	Committee of Professional Education and Certification
11.	January 2018	Monitoring the compliance with the requirements by the accredited institutions of higher education and recognition of exams in competences for the first level UFPAA certification	Ongoing	Committee of Professional Education and Certification	Committee of Professional Education and Certification
12.	2017	Strengthening relations with universities to improve the entry level to the profession	Ongoing	Main Board, Executive Directorate	Supervisory Board, Executive Directorate, Main Board
13.	2017	Contributing the auditors certification process and ensuring its compliance with IES	Ongoing	Supervisory Board, Board	Supervisory Board, Main Board, members of UFPAA
<p>* 2018 - Lviv, Lviv University of Trade and Economics, May 17th, 2018, 8th international scientific and practical conference, the topic "Hot issues of accounting, analysis, control and taxation development in the context of European integration and recent challenges of globalization". http://www.lute.lviv.ua/akademija/novini/novina-detalnihe/article/aktualni-problemi-rozvitku-obliku-analizu-kontrolju/</p> <p>* 2018 - May 24, 2018, Rivne, National University of Water and Environmental Engineering public discussion of the future accounting profession. Presentation of the Chairman of the Committee of Professional Education and Certification of the UFPAA "The Future of the Accounting Profession: The Opinion of Professional Organizations" http://nuwm.edu.ua/university/news/nov201805291710</p>					
<i>Improving the structure of the certification program</i>					
14.	December 2017	Participation in the development of the Concept <i>Improvement of the education system and the continuous professional development of accountants and auditors in Ukraine</i> , designed, inter alia, to introduce the IES requirements in Ukraine	Completed	Chairman of the Committee of Professional Education and Certification	Members of the Committee - EduCOP STAREP members

#	Start Date	Actions	Completion Date	Responsibility	Resource
15.	December 2017	Informing the Board on the progress in improving the UFPAA members certification program based on the recommended IESB approach based on the results and areas of competence and progress	Ongoing	Committee of Professional Education and Certification	Committee of Professional Education and Certification
16.	September 2017	Development of a module for studying and comprehension of the requirements of the Code of Ethics for Professional Accountants	Completed	Committee of Professional Education and Certification, Executive Directorate, Supervisory Board	Committee of Professional Education and Certification, Executive Directorate, Supervisory Board
17.	September 2018	Review of the contents and the development of taxation and law modules in Ukraine and seeking possibilities for their recognition by the international professional organizations	Ongoing	Committee of Professional Education and Certification, Executive Directorate	Committee of Professional Education and Certification, Executive Directorate, Supervisory Board
<i>Development CPD with best practice</i>					
18.	May 2018	On 23 May UFPAA has entered into an agreement with the American Institute of CPAs and the Chartered Institute of Management Accountants which allows sharing resources on professional development and organizational outreach. UFPAA members now have access to online courses and certifications from the American Institute of CPAs. Link on press conference: https://www.facebook.com/buhgalterLZ/videos/1629870160441979/	Ongoing	Committee of Professional Education and Certification	UFPAA, AICPA
19.	Ongoing	Consider and suggest new areas of competence development of UFPAA members*	Ongoing	Executive Directorate,	Committee of Professional Education and Certification
<i>Current activities</i>					
20.	Ongoing	Monitoring compliance of UFPAA requirements with the current IES requirements and informing the Board on the findings	Ongoing	Committee of Professional Education and Certification, Executive Directorate	Committee of Professional Education and Certification

#	Start Date	Actions	Completion Date	Responsibility	Resource
21.	Ongoing	Tracking possible future changes to IES including IES 7 and informing UFPAA members on the changes through the digest.	Ongoing	Committee of Professional Education and Certification, Executive Directorate	Committee of Professional Education and Certification

Action Plan Subject: SMO 3—International Standards and other Pronouncements Issued by the IAASB
Action Plan Objective: Full Adoption, Dissemination, and Compliance with the IAASB Pronouncements in Ukraine

Background:

The activities of auditors in Ukraine are regulated by the Auditing Chamber of Ukraine (ACU). With October 2018 Audit activity will be regulated by a new law in Ukraine “Audit of Financial Reporting and Auditing” (No. 2258-VIII) which was adopted in December 2017 (<http://zakon5.rada.gov.ua/laws/show/2258-19>). New Law adopted the Directive 2014/56/EU of the European Parliament and of the Council of 16 April 2014 amending Directive 2006/43/EC on statutory audits of annual accounts and consolidated accounts <https://eur-lex.europa.eu/legal-content/EN/TXT/?uri=celex%3A32014L0056>

According to this law, a new ACU was created on April 14, 2018. The new ACU will maintain a register of auditors and audit companies. The Auditing standards, quality control standards, related standards and corresponding updates are posted on the website of the ACU: http://www.apu.com.ua/attachments/article/1151/2017_%D1%87%D0%B0%D1%81%D1%82%D1%8C1.pdf
 ACU has responsibility for monitoring the compliance with the standards.

UFPAA facilitates in publishing and disseminating information through cooperation with the IFAC members. Although UFPAA is not directly involved in setting standard, as an IFAC member, UFPAA plays an important role in the implementation process so that auditors are aware of the standards and using them as intended. UFPAA contributed a lot to dissemination of ISAs translated into Ukrainian. UFPAA delegated its members to the working committees of the program on Strengthening Auditing and Reporting in the countries of the Eastern Partnership (STAREP) of the Center for Financial Reporting Reform, World Bank. UFPAA translated the Handbook of International Quality Control, Auditing, Review, Other Assurance, and Related Services Pronouncements, 2016–2107 Edition Volume: http://www.apu.com.ua/attachments/article/1151/2017_%D1%87%D0%B0%D1%81%D1%82%D1%8C1.pdf

Action Steps:

#	Start date	Actions	Completion Date	Responsibility	Resource
<i>Translation, Dissemination and Enforcement of IAASB’s Pronouncements</i>					
22	March 2018	Translation and publication of IFAC Diagram for Key Audit Matters in accordance with ISA 701	April 2018 Completed	Head of UFPAA Auditing Committee	UFPAA Auditing Committee
23	September 2018	Cooperation with the Audit Chamber of Ukraine and new POB to establish mandatory Quality Assurance reviews of PIE and non-PIE auditors, and ensuring the compliance of the resulting system with the requirements of SMO 1	Ongoing	Head of UFPAA Auditing Committee	UFPAA Auditing
24	September 2018	Translation of the IESBA Code of Ethics (edition 2018)	January 2019	UFPAA Membership and Professional Ethics Committee	UFPAA

#	Start date	Actions	Completion Date	Responsibility	Resource
<i>Support Member's or Associate's members in understanding and implementing .</i>					
25	May 2018	Development of practical guidance: Auditor's responsibilities for AML	June 2018 Completed	Head of UFPAA Auditing Committee	UFPAA Auditing Committee
26	September 2017	Development and publishing the illustrative forms of independent auditor's reporting in accordance with ISA	March 2018 Completed	Head of UFPAA Auditing Committee	UFPAA Auditing Committee
27	September 2017	Development and publishing the financial statements disclosure checklist in accordance with Ukrainian GAAP	March 2018 Completed	Head of UFPAA Auditing Committee	UFPAA Auditing Committee
28	September 2017	Development and participation in the short-term ongoing education program <i>New auditors reporting</i>	October 2018 Completed	Head of UFPAA Auditing Committee Head of UFPAA Auditing Committee	UFPAA Auditing Committee UFPAA Education committee
29	March 2018	Development and publishing the technical briefing <i>2017/2018 audit season: key audit risks</i>	April 2018 Completed	Head of UFPAA Auditing Committee	UFPAA Auditing Committee
30	November 2018	Development and publishing the methodological recommendations for identifying key audit matters in accordance with ISA 701	December 2018	Head of UFPAA Auditing Committee	UFPAA Auditing Committee
31	March 2019	Development and publishing of the guidance <i>Root cause analysis in audit firm</i>	2019	Head of UFPAA Auditing Committee	UFPAA Auditing Committee
32	May 2018	Development and publication of the guidance <i>Communications with the Governance in accordance with ISAs</i>	July 2018 Completed	Head of UFPAA Auditing Committee	UFPAA Auditing Committee

#	Start date	Actions	Completion Date	Responsibility	Resource
33	2019	Development and publication of guidance <i>Materiality in audits</i>	2019	Head of UFPAA Auditing Committee	UFPAA Auditing Committee
34	July 2018	Development and publication of guidance <i>Clients acceptance in audit</i>	September 2018	Head of UFPAA Auditing Committee	UFPAA Auditing Committee
35	February 2018	Monthly digests: IFAC, IASB, UFPAA news.	Ongoing	Head of UFPAA Auditing Committee	UFPAA Auditing Committee
36	Ongoing	Cooperation with other Ukrainian professional organizations of accountants and auditors with similar SMO 1 tasks and ambitions	Ongoing	Head of UFPAA Auditing Committee	UFPAA Auditing Committee
37	Ongoing	Participation in the discussion and submission of proposals for improvements of the law and regulation that determine the legal framework for auditing the financial statements, conducting audit activities in Ukraine, and regulates the relations that arise in the process of auditing	Ongoing	Head of UFPAA Auditing Committee	UFPAA Auditing Committee
38	Ongoing	Participation in the development of UFPAA professional development programs on auditing and quality assurance and providing trainings	Ongoing	Head of UFPAA Auditing Committee	UFPAA Auditing Committee
39	2019	Development of practical recommendations for Auditing Committees: responsibility, selection of auditors and communications with auditors	2019	Head of UFPAA Auditing Committee	UFPAA Auditing Committee

Action Plan Subject: SMO 4–IESBA Code of Ethics for Professional Accountants
Action Plan Objective: Further Improve Compliance of UFPAA’s Members with IESBA Code of Ethics

Background:

The Law of Ukraine [On Auditing of Financial Reporting and Audit Activity](#) incorporates ethical requirements for professional accountants in the jurisdiction (Section 1 paragraph 14). IESBA Code of Ethics was adopted in Ukraine as a mandatory national Ethics Code for auditors according to the Audit Law of Ukraine in 2003. UFPAA reinforced it in its Statute. UFPAA representatives were the members of the Coordination & Advisory Council responsible for the translation. UFPAA published the Code of Ethics translated in Ukrainian (effective since June 30, 2006) which is a single publication in compliance with the IFAC translation procedures. At the XI UFPAA Congress (December 24, 2007), the IESBA Code of Ethics was adopted as the UFPAA Code of Ethics. In 2014, UFPAA translated the IESBA Code of Ethics (edition 2012) and is to translate edition 2018. UFPAA is responsible for educating its members and enforcing their compliance with the Code of Ethics.

Action Steps:

#	Start Date	Actions	Completion Date	Responsibility	Resource
<i>Adopt the IESBA Code in the jurisdiction</i>					
39.	Ongoing	Translation and publishing the amendments to the Ukrainian translation of IESBA Code of Ethics from time to time	Ongoing	UFPAA Membership and Professional Ethics Committee	UFPAA
40.	Ongoing	Developing measures to ensure effective implementation of the Code of Ethics	Ongoing	UFPAA Membership and Professional Ethics Committee	UFPAA
41	September 2018	Translation of the IESBA Code of Ethics (edition 2018)	January 2019	UFPAA Membership and Professional Ethics Committee	UFPAA
<i>Support Member’s or Associate’s members in understanding and implementing accounting standards in the jurisdiction.</i>					
42.	September 2018	Launch of the online course on IESBA Code of Ethics on a free public resource <i>Prometheus</i>	Ongoing	Committee of Professional Education and Certification, Executive Directorate	UFPAA
43.	Ongoing	Perform periodic review of UFPAA’s response to the IFAC Compliance Self-Assessment questionnaires and update sections relevant to SMO 4 as necessary. Once updated, inform IFAC Compliance staff about the updates in order for the Compliance staff to republish updated Information.	Ongoing	Executive Directorate	UFPAA

Action Plan Subject: SMO 5 – International Public Sector Accounting Standards and Other Pronouncements Issued by the IPSASB
Action Plan Objective: Promote Adoption of the International Public Sector Accounting Standard (IPSAS) and other IPSASB Pronouncements in Ukraine, and Effectively Support and Disseminate the Work of IPSASB

Background:

Ukraine still didn't adopt IPSASs. The national accounting standards for public sector were developed based on IPSASs. The Law is not implemented in full. For example, the accrual method is still applied.
 UFPAA plans to translate the International Public Sector Accounting Standards.
 UFPAA President was delegated to the Public Council of the Treasury Service of Ukraine and was elected a Head of Public Council.
 UFPAA delegated the Head of the Professional Education and Certification Committee [to PULSAR Program of CFRR Project](#) (World Bank).
 UFPAA will focus on:

- Increasing awareness and knowledge sharing, through peer exchange, knowledge transfer and regional cooperation.
- Improving national laws/regulations through technical assistance and implementation support.
- Enhancing relevant public sector financial reporting institutional arrangements and capacity developed in standard setting, quality control and implementation arrangements.
- Improving national processes to design, adopt, translate and disseminate standards and tools, as well as related educational materials.
- Establishing training, education, certification and continuing professional development programs, in line with emerging best practices.

Action Steps:

#	Start Date	Actions	Completion Date	Responsibility	Resource
<i>Adopt IPSAS in the jurisdiction</i>					
44.	January 2019	Translation of new International Public Sector Accounting Standards	April 2019	Executive Directorate, Standards Committee	UFPAA
<i>Support the implementation of IPSAS</i>					
45.	April 2019	Round table with MoF and the World Bank PULSAR Program to overview the new International Public Sector Accounting Standards	April 2019	Executive Directorate, president of UFPAA	UFPAA
46.	Ongoing	Providing support to the government as necessary and permitted in adoption and implementation of IPSASs	Ongoing	President of UFPAA, Main Board	UFPAA
<i>Support Member's or Associate's members in understanding and implementing accounting standards in the jurisdiction.</i>					
47	Ongoing	UFPAA informs its members, associate members, partners and other stakeholders through its website, its page on Facebook etc.	Ongoing	Executive Directorate	UFPAA

Action Plan Subject: SMO 6—Investigation and Discipline
Action Plan Objective: Improve Compliance with Standards and Codes through Enhancement Investigative and Disciplinary Regime that Meets the Requirements Established in SMO 6

Background:

In 2007, UFPAA's Disciplinary Committee was established. The experience of CECCAR in implementation of the rules and sanctions in accordance with SMO 6 was studied. UFPAA developed the appeal procedure for UFPAA members. UFPAA Board is responsible for I&D of UFPAA's members and all the disciplinary and investigative procedures are performed by UFPAA's Disciplinary Committee. ACU also has responsibility over the I&D process for all auditors in ACU register.

Action Steps:

#	Start Date	Actions	Completion Date	Responsibility	Resource
<i>Develop or implement an I&D system in the jurisdiction</i>					
48.	Ongoing	Organization of I&D mechanisms based on the best practices and recommendations of EU and IFAC	Ongoing	Main Board, Disciplinary Committee	UFPAA
49.	Ongoing	Maintain regular reviews of the I&D mechanisms to ensure that the system implemented functions as intended and in accordance with the revised requirements of SMO 6	Ongoing	Disciplinary Committee	UFPAA
<i>Support the adoption of an I&D system;</i>					
50.	2010	Ensure continuous compliance of UFPAA's disciplinary process with the Ukrainian law and SMO 6 requirements	Ongoing	Disciplinary Committee	UFPAA
<i>Support the implementation of an I&D system</i>					
51.	March 2019	Establish Committee for Appeals in cooperation with new ACU (determine the composition, identify financial resources, determine membership criteria etc.). The issue was negotiated with the new ACU, understanding has been reached on sharing the information regarding the appeals	Ongoing	Main Board, ACU	UFPAA, ACU
<i>Support Member's or Associate's members in understanding and implementing its requirements.</i>					
52.	Ongoing 4	Promote public and UFPAA members' awareness on investigation and disciplinary process through UFPAA website and magazine	Ongoing	Disciplinary Committee	UFPAA
53.	Ongoing 4	Encourage public and members' awareness of investigation and disciplinary (I&D) process	Ongoing	Main Board, Disciplinary Committee	UFPAA

Main Requirements of SMO 6

Requirements	Y	N	Partially	Comments
Scope of the System 1. A system of investigation, discipline and appeals exists for the accountancy profession. The system is operational.	Y			Country level: The existing audit oversight system, as regulated by the new Law On Auditing of Financial Reporting and Audit Activity , is fragmented with different aspects of the oversight system, including investigations and discipline being performed by different departments and entitie Auditing Oversight Council. All auditors and audit firms are subject of investigation and discipline systems. UFPAA: There is a Committee of Discipline within UFPAA. The system works to remedy the actions among natural persons – members of UFPAA.
2. Information about the types of misconduct which may bring about investigative actions is publicly available.	Y			Country level: According to the new Law On Auditing of Financial Reporting and Audit Activity the Audit Oversight Body will be formed. UFPAA: All violations are analyzed and published
Initiation of Proceedings 3. Both a “complaints-based” and an “information-based” approach are adopted.	Y			Country level: Both approaches are adopted. New Law On Auditing of Financial Reporting and Audit Activity regulates that process. UFPAA: The form of the appeal to the Disciplinary Committee was developed.
4. Link with the results of QA reviews has been established.			P	Country level: Regulation on quality control approved by the ACU on 29/07/2007. The order of inspections of complaints was approved by APU 23.02.2017. UFPAA: No proceedings were initiated following a QA review.
Investigative Process 5. A committee or similar body exists for performing investigations.	Y			Country level: There is Committee for disciplinary investigations. UFPAA: Disciplinary Committee of UFPAA makes disciplinary investigations
6. Members of a committee are independent of the subject of the investigation and other related parties.	Y			Country level: There are only members of ACU in the Committee for disciplinary. With the new Law it will be new Committee for disciplinary UFPAA: Members of a committee are independent of the subject of the investigation and other related parties. All members of the Committee shall submit a Declaration of independence both towards the subject of investigation and towards other related parties.
Disciplinary Process 7. A separate disciplinary committee/entity exists to	Y			Country level: For the moment disciplinary committee provides its decisions to ACU after that ACU can get

Requirements	Y	N	Partially	Comments
make disciplinary decisions on referrals from the investigation committee.				some decision. Cannot be assessed now what will be with new Law because there is no disciplinary committee. UFPAA: According to the statutory provisions, the Association disciplinary body is entitled to apply the following sanctions: a) warning; b) reprimand; c) suspension of membership; d) exclusion from the Federation.
8. Members of the committee/entity include professional accountants as well as non-accountants.			P	Country level: Members of the committee/entity include only members ACU and auditors. Probably this system will be changed with new Law. UFPAA: Members of the committee/entity include professional accountants as well as non-accountants.
9. The tribunal exhibits independence of the subject of the investigation and other related parties.		N		There is no tribunal.
Sanctions 10. The disciplinary system allows imposing an extensive range of penalties. It is particularly important to include (a) loss of professional designation; (b) restriction and removal of practicing rights; and (c) exclusion from membership.	Y			Country level: The disciplinary system including: (a) warning; (b) Suspension of the certificate; (c) exclusion from the register of auditors UFPAA: According to the statutory provisions, the Association disciplinary body is entitled to apply the following sanctions: a) warning; b) reprimand; c) suspension of membership; d) exclusion from the Federation.
Rights of Representation and Appeal 11. A third appeals body exists which is separate from both the disciplinary committee and investigative committee.		N		There is no some procedure like that.
Administrative Processes 12. Timeframe targets for disposal of all cases are set.	Y			Country level: There are no clear legal provisions in that respect. Improved bylaws and regulations adopted in the new Law are approved. ACU decide about timeframe targets sets which depends from the seriousness of the infringement committed. UFPAA: Timeframe is only for suspension of membership and it ends after solving the problem.
13. Tracking mechanisms to monitor progress in investigation and discipline and related procedures are established.	Y			Country level: The Regulation on quality control states include repeated inspections. The new Law prepare new version mechanisms to monitor progress in investigation and discipline and related procedures are established. UFPAA: Suspension of membership in force until the full settlement of outstanding fees.
14. Records of investigations and disciplinary processes are established.	Y			Country level: Regulation on supervision of audit activities contains provisions on the investigations and disciplinary processes. With new Law Regulation on

Requirements	Y	N	Partially	Comments
				supervision will be changed. UFPAA: Committee of Membership prepare list of members, who have not paid membership fees and give it on a Main board for a appropriate decision on membership.
Public Interest Considerations 15. Activities are supported to ensure that the public is aware that an investigative and disciplinary system exists in the jurisdiction.	Y			Country level: All decisions on disciplinary liability are published on the ACU website.
16. A process for the independent review of complaints on which there was no follow-up is established.		N		
17. The results of the investigative and disciplinary proceedings are made available to the public.	Y			Country level: All decisions on disciplinary liability are published on the ACU website.
Liaison with Outside Bodies 18. There is an appropriate process for liaison with outside bodies on possible involvement in serious crimes and offences.		N		Country level: There is an appropriate process for liaison with financial monitoring, national bank and SCSSM etc. UFPAA is limited in applying disciplinary sanctions
Regular Review of Implementation and Effectiveness 19. Regular review of implementation and effectiveness of the system are performed and corrective actions are implemented.	Y			Country level: For a moment the regulatory body for audit is ACU. New Law prepare new system about regular review of implementation and effectiveness of the system

Action Plan Subject: SMO 7–International Financial Reporting Standards and Other Pronouncements issued by the IASB
Action Plan Objective: Continue to Use Best Endeavors to Maintain and Continuously Improve an Ongoing Program for Adoption and Implementation of IFRS

Background:

Accounting and financial reporting is governed by the law of Ukraine [On Accounting and Financial Reporting in Ukraine № 996-14](#). The law [On Amendments to the Law of Ukraine "On Accounting and Financial Reporting in Ukraine"](#) was developed to bring the provisions of the Law No.996-14 into conformity with the legislation of the European Union, specifically with the provisions of the EU Directive No. 2013/34 / EU, and to improve the application of IFRS. Representatives of UFPAA took part (2016-2017) in the working group on the implementation of the EU directives at the Parliamentary Committee.

IFRS is fully applied in Ukraine (the red book).

The following entities are required to report under IFRS:

- public interest companies (securities issuers, companies trading securities which are admitted to stock trading, banks, insurers, non-state pension funds, other financial institutions (except for other financial institutions and non-state pension funds belonging to micro and small enterprises), which according to this Law belong to large companies);
- public joint stock companies;
- companies engaged in minerals extraction of national importance.

MoF of Ukraine has legal mandate for adopting accounting standards. IFRS is adopted by MoF of Ukraine and it is 2017 version. Since 1997, UFPAA has been making regular translation of IFRS into Ukrainian as soon as there are updated. The Federation translates and sends the IFRS to the MoF of Ukraine.

The companies that are not required to follow IFRS, follow the National provisions (standards) of accounting. According to the law of Ukraine [On Accounting and Financial Reporting in Ukraine № 996-14](#), SMEs have a right to but are not required to follow IFRS. UFPAA supports the implementation of IFRS and organized the marathon of IFRS Forum Ukraine in the biggest cities of Ukraine (Kharkiv, Dnipro, Lviv, Odessa and Kyiv). Also, the Federation published the methodological Manual *Transformation of financial statements of Ukrainian enterprises to the financial statements according to international standards*.

Action Steps:

#	Start Date	Actions	Completion Date	Responsibility	Resource
<i>Awareness of IFRS among General Public</i>					
54.	April 2018	IFRS Forum Ukraine <i>On the way to qualitative IFRS reporting</i> (in 5 biggest cities of Ukraine: Kharkiv, Dnipro, Lviv, Odessa, Kyiv)	Completed	Executive Directorate, President, Committee of Standards	UFPAA, Executive Directorate, Supervisory Board, other Relevant Government Entities

#	Start Date	Actions	Completion Date	Responsibility	Resource
<i>Education on IFRS</i>					
55.	July 2015	Supporting UFPAA members in the implementation of the new and updated standards through trainings, workshops etc, disseminating information on the international developments	Ongoing	Executive Directorate, Committee of Professional Education and Certification	UFPAA, Executive Directorate
56.	February 2018	Training <i>Implementation of IFRS-9 requirements for the accounting of financial instruments</i>	Completed	Executive Directorate, Committee of Professional Education and Certification	UFPAA, Executive Directorate
57.	March 2018	Training <i>Accounting reform in Ukraine and transition to IFRS</i>	Completed	Executive Directorate, Committee of Professional Education and Certification	UFPAA, Executive Directorate
58.	May 2018	Training <i>Reporting under IFRS and disclosure of additional information</i>	Completed	Executive Directorate, Committee of Professional Education and Certification	UFPAA, Executive Directorate
59.	May 2018	Training <i>Recognition, estimation and reporting of financial elements under IFRS</i>	Completed	Executive Directorate, Committee of Professional Education and Certification	UFPAA, Executive Directorate
60.	May 2018	Training <i>The consolidated financial statements under IFRS</i>	Completed	Executive Directorate, Committee of Professional Education and Certification	UFPAA, Executive Directorate
<i>Support Implementation of IFRS (See SMO Action Plan Update Explanatory Note for examples of possible actions)</i>					
61.	March 2017	Translation IFRS 2017 (Red Book)	Completed	Executive Directorate, Committee of Standards	UFPAA, Executive Directorate, Standards Committee of MoF
62.	June 2014	Publication of UFPAA methodical manual <i>Transformation of financial statements of Ukrainian enterprises to the financial statements according to IFRS</i> (new version)	Completed	Executive Directorate, Committee of Standards	UFPAA, Executive Directorate
63.	March 2012	UFPAA representatives are members of the IFRS expert committee under the MoF	Ongoing	Executive Directorate	UFPAA, MoF
<i>Maintaining Ongoing Processes</i>					
64.	Ongoing	Continuous improvement of IFRS implementation through publications, seminars, workshops, etc. which focuses on recent updates to IFRS and their proper application	Ongoing	Committee of Standards, President, Main Board	Executive Directorate, Committee of Standards

Action Plan Subject: UFPAA Other Activities
Action Plan Objective: Further strengthen UFPAA position as leading professional body in Country and internationally

Background:

UFPAA organised number of conferences during last two years to share experience of neighboring countries as well as leading professional organizations. GFPAA board members and executive team also attended number of conferences including accountants' 19th world congress. Such conferences are:

1. UFPAA Executive Director and 13 representatives of members UFPAA attended Accountants' 19th World Congress held in Roma.
2. UFPAA initiate a team for the attended 20th World Congress in Sidney, Australia.
3. The Federation delegated its representatives to the work commissions under the government for the adoption of Directives UE in the legislation of Ukraine.
4. UFPAA signed Memorandum of Cooperation of Professional Accountancy Organizations, 05.06.2017, Warsaw, Poland. The Memorandum signed: Estonia – Association of Estonian Accountants, Georgia – Georgian Federation of Professional Accountants and Auditors, Germany – German Association of Tax Advisors, Latvia – Latvian Association of Certified Auditors, Lithuanian – Accountants Association Alliance, Poland – Accountants Association in Poland, Republic of Srpska – Association of Accountants and Auditors of Republic of Srpska.

Executive Director of UFPAA



Valentina Legka