



**Accountants Association in Poland  
Main Board Office  
President**

Warsaw, 18 February 2021 r.

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**Stowarzyszenie  
Księgowych w Polsce**

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**Działamy  
dla księgowych**  
od 1907 r.



Stowarzyszenie Księgowych w Polsce  
jest członkiem Międzynarodowej  
Federacji Księgowych (IFAC)

Name: Mr Jerzy Koniecki  
Title: President  
Company: Accountants Association in Poland  
Address: Górnioślaska 5, 00-443 Warszawa, Poland  
Email: sekretariat@skwp.pl

Dear Ms Scales,

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

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

On behalf of the leadership of the Accountants Association in Poland, 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.

Sincerely,

Jerzy Koniecki



President

Accountants Association in Poland

## **BACKGROUND NOTE ON ACTION PLANS**

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

- The legal and regulatory environment for the profession;
- The status of adoption of international standards and best practices in the jurisdiction; and
- The Member's or Associate's activities to fulfill IFAC membership requirements.

IFAC [Statements of Membership Obligations](#) (SMOs) require IFAC Members and Associates to support the adoption<sup>1</sup> and implementation<sup>2</sup> of international standards and other pronouncements issued by independent standard-setting boards under the auspices of IFAC as well as by the International Accounting Standards Board (IASB); and to establish a quality assurance (QA) review and investigation and disciplinary (I&D) systems. The SMOs are recognized as the international benchmarks for credible and high-quality PAOs that are focused on and have the necessary expertise to serve the public interest and meet the market demands of their respective jurisdictions.

IFAC Members and Associates conduct a self-assessment against the requirements of SMOs and identify areas where, if any, improvements are needed. Members and Associates should develop an Action Plan to (a) demonstrate how they fulfill the requirements of the SMOs (revised in 2012), and (b) where some requirements are not yet addressed, to present plans towards their fulfillment. Action Plans are designed to be **ever-green** documents that take into consideration IFAC recommendations. Depending on the PAO's level of fulfillment (see *IFAC's Summary Assessment – page 2*), an Action Plan may not be necessary for each SMO section and instead the '*Attestation of Ongoing SMO Compliance*' is used to confirm their ongoing commitments. However, PAOs may wish and are welcome to utilize the Action Plan as a tool to demonstrate how they are using 'best endeavors' and going beyond their mandate with innovative approaches to fulfilling the SMOs and strengthening the national profession.

The specific details of each organization's actions will vary even where two PAOs are involved in the same SMO area. Each PAO operates in its own unique regulatory and standard-setting framework and has different operating, technical, and resource capacities. Moreover, in deciding when and how a particular SMO requirement is to be addressed, PAOs might have differing timeframes and objectives to achieve. Notwithstanding these inevitable differences, seeking the advice and assistance of other PAOs who have already faced and dealt with similar challenges can save significant time and resources. IFAC staff will offer assistance as needed.

Regular updates of the SMO Action Plans are required as part of the [IFAC Member Compliance Program](#).

### **Use of Information**

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

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

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

**ACTION PLAN**

**IFAC Member:** Accountants Association in Poland (AAP)  
**Approved by Governing Body:** Presidium of the Main Board  
**Original Published Date:** December 2008  
**Last Updated:** February 2021

**IFAC's Summary Assessment:** *IFAC staff will complete this section at the conclusion of each SMO Action Plan review and update process. PAOs are encouraged to take staff's recommendation into consideration as part of future strategic planning conversations at the PAO. For more information on [IFAC Member Compliance Program](#) and the legends used to describe the status of adoption of international standards, best practices, and fulfillment of SMO requirements, please refer to the Status of Adoption [methodology](#) and SMO Fulfillment [methodology](#).*

	PAO Level of Responsibility for Adoption of Standards	Jurisdiction Adoption Status as of 2022	Level of SMO Fulfillment as of 2020
QA / SMO 1	No Direct	 Adopted	 Review & Improve
IES / SMO 2	Shared	 Partially Adopted	 Execute
ISA / SMO 3	No Direct	 Adopted	 Review & Improve
IESBA / SMO 4	Shared	 Adopted	 Review & Improve
IPSAS / SMO 5	No Direct	 Not Adopted	 Review & Improve
I&D / SMO 6	Shared	 Partially Adopted	 Plan
IFRS / SMO 7	No Direct	 Adopted	 Review & Improve

### **Attestation of SMO Compliance**

The **AAP** has developed an Action Plan to demonstrate how it fulfills the requirements of the SMOs (revised in 2012). The abovementioned [Governing Body](#) has reviewed the information contained within the SMO Action Plan and affirms that the **AAP** continues to undertake these and other relevant actions to maintain ongoing compliance and fulfillment of the membership obligations where IFAC's assessments are at *Review & Improve* and/or *Sustain*. In areas where IFAC's assessments are at *Execute, Plan, Consider, or Not Active* the **AAP** has updated the Action Plan to reflect the specific actions to adopt or support adoption and support implementation that must be taken to achieve the improvement accompanied by a timeline.

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

## **GLOSSARY**

<b>AAP</b>	Accountants Association in Poland
<b>CPD</b>	Continuing Professional Development
<b>CPEA</b>	Code of Professional Ethics in Accounting
<b>CTP</b>	Commission for Training and Publications
<b>EC</b>	Ethics Commission
<b>IAASB</b>	International Auditing and Assurance Standards Board
<b>IASB</b>	International Accounting Standards Board
<b>IAESB</b>	International Accountancy Education Standards Board
<b>IESBA</b>	International Ethics Standards Board for Accountants
<b>IFAC</b>	International Federation of Accountants
<b>IFRS</b>	International Financial Reporting Standards
<b>IPSAS</b>	International Public Sector Accounting Standards
<b>IPSASB</b>	International Public Sector Accounting Standards Board
<b>IRC</b>	International Relations Commission
<b>ISA</b>	International Standards on Auditing
<b>MB</b>	Main Board
<b>MBO</b>	Main Board Office
<b>MPC</b>	Main Peer Court
<b>MPEC</b>	Main Professional Examination Commission
<b>PCSA</b>	Polish Chamber of Statutory Auditors
<b>PANA</b>	Public Audit Oversight Agency
<b>PAO</b>	Professional Accountancy Organization
<b>PD</b>	Presidential Department
<b>RB</b>	Regional Branches (26 RB of AAP)
<b>RC</b>	Research Council
<b>RPC</b>	Regional Peer Courts
<b>SMO</b>	Statement of Membership Obligation

**Action Plan Subject:** SMO 1–Quality Assurance  
**Action Plan Objective:** Promote the Need for High Quality Audit of Financial Statements

<b>Background:</b>					
The entity responsible for regulating auditors is the Polish Chamber of Statutory Auditors (PCSA), which bears responsibility, among others, for the Quality Assurance review system. The AAP offers its indirect support to PCSA through organizing training of the obligatory professional development for the auditors as well as through publishing training materials for the needs of PCSA. Public supervision over PCSA activity, auditor practices and entities authorized to audit financial statements lies within the responsibility of the Public Audit Oversight Agency.					
#	Start Date	Actions	Completion Date	Responsibility	Resource
<i>Increase the Quality of Financial Statement Audits</i>					
1.	Ongoing	Translation of the legal acts, standards, and current publications concerning best practice in the audit of financial statements and global developments in this area.	Ongoing	PD	PD
2.	ongoing	The AAP as the partner of the annual audit conference organized by the PCSA.	Ongoing	MBO Director	MBO
3.	Ongoing	Issuing publications for statutory auditors. Examples of the publications in 2020: 1. <i>Sales revenues – how to present, recognize, and present them in the light of the accounting law.</i> 2. <i>Update of the national and international accounting law.</i> 3. <i>Tax law update.</i>	Ongoing	MBO Director	MBO
4.	ongoing	Recommending to the PCSA the topics for the training of statutory auditors within the continuing professional development.	Ongoing	MB Presidium	CTP

#	Start Date	Actions	Completion Date	Responsibility	Resource
5.	Ongoing	Organizing seminars on the obligatory professional development of statutory auditors.	Ongoing	AAP RB Directors	AAP RB
6.	Ongoing	Continue to share with PCSA information on complaints about auditors simultaneously being members of the AAP and PCSA.	Ongoing	Chair of MPC	MPC
7.	Ongoing	Work of the AAP's representatives in the supervisory boards of audit companies.	Ongoing	MB Presidium	Members of the supervisory boards
<i>Review of AAP's Compliance Information</i>					
8.	Ongoing	Performing cyclical review of AAP's response to the IFAC Compliance Self-Assessment questionnaires and update sections relevant to the revised SMO 1 as necessary. Once updated inform IFAC Compliance staff about the updates in order for the Compliance staff to republish updated information.	Ongoing	PD	PD

**Main Requirements of SMO 1 [QA Review System operated by PANA]**

Requirements	Y	N	Partially	Comments
<b>Scope of the System</b> 1. At a minimum, mandatory QA reviews are required for all audits of financial statements.	X			All are now conducted by PANA ( <a href="https://pana.gov.pl/">https://pana.gov.pl/</a> )
<b>Quality Control Standards and Other Quality Control Guidance</b> 2. Firms are required to implement a system of quality control in accordance with the quality control standards.	X			Article 50 of Polish Auditing Act (2017, amended 2019)
3. Most up to date versions of ISQC 1 and other relevant ISAs are adopted as the quality control standards.	X			ISQC1 and other relevant ISAs are currently applicable. A plan is in place for the adoption of the new quality management standards by 1 January 2023 ( <a href="#">Resolution No. 2021 / 33a / 2022</a> ; <a href="#">Dedicated web page</a> )

Requirements	Y	N	Partially	Comments
4. Member Body assists firms in understanding the objectives of quality control and in implementing and maintaining appropriate systems of quality control.	X			Hot line, training courses, alert letters distributed to CPA and published on the PIBR website. PIBR developed a guide entitled: "Internal Quality Control System (IQCS) - requirements resulting from the amendment to the Act on Statutory Auditors", aimed at supporting audit firms and statutory auditors in the process of developing and implementing IQCS. The guide was developed as a result of the amendment to the Act of July 19, 2019, which introduced provisions regarding, inter alia, the obligation to include assurance services other than audit and related services performed in accordance with national performance standards in the IQCS.
<b>Review Cycle</b> 5. A cycle-based, risk-based, or a mixed approach for selecting firms for QA review is used.	X			As reported in IFIAR profile of PANA: <a href="https://www.ifiar.org/?wpdmdl=12618">https://www.ifiar.org/?wpdmdl=12618</a>
6. For cycle-based approach, quality control reviews are required to take place at least every six years (and every three years for audits of public interest entities).	X			As reported in IFIAR profile of PANA: <a href="https://www.ifiar.org/?wpdmdl=12618">https://www.ifiar.org/?wpdmdl=12618</a> and Article 106 of the Polish Auditing Act of 2017.
<b>QA Review Team</b> 7. Independence of the QA Team is assessed and documented.	X			Section 3.4 of " <a href="#">Procedury przeprowadzania kontroli PANA</a> " (PANA Control Procedures)
8. QA Team possesses appropriate levels of expertise.	X			See Polish Auditing Act Articles 109 and 111, and Chapter 6 of " <a href="#">Procedury przeprowadzania kontroli PANA</a> " (PANA Control Procedures)
<b>Reporting</b> 9. Documentation of evidence supporting the quality control review report is required.	X			See section 3.12 of " <a href="#">Procedury przeprowadzania kontroli PANA</a> " (PANA Control Procedures)
10. A written report is issued upon conclusion of the QA review and provided to the firm/partner reviewed.	X			See section 3.11 of " <a href="#">Procedury przeprowadzania kontroli PANA</a> " (PANA Control Procedures)



Requirements	Y	N	Partially	Comments
<p><b>Corrective and Disciplinary Actions</b></p> <p>11. Reviewed firms/partners are required to make timely adjustments to meet recommendations from the review report.</p>	<b>X</b>			See section 3.13 of " <a href="#">Procedury przeprowadzania kontroli PANA</a> " (PANA Control Procedures)
<p>12. QA review system is linked to the Investigation and Discipline system.</p>	<b>X</b>			See chapter 5 of " <a href="#">Procedury przeprowadzania kontroli PANA</a> " (PANA Control Procedures) and Chapter 9 of the Polish Auditing Act of 2017
<p><b>Consideration of Public Oversight</b></p> <p>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>	<b>X</b>			Minister for Public Finance has oversight over PANA (Article 126 of Polish Auditing Act of 2017)
<p><b>Regular Review of Implementation and Effectiveness</b></p> <p>14. Regular reviews of implementation and effectiveness of the system are performed.</p>	<b>X</b>			Chapter 6 of " <a href="#">Procedury przeprowadzania kontroli PANA</a> " (PANA Control Procedures)

**Action Plan Subject:** SMO 2–International Education Standards for Professional Accountants and Other Pronouncements issued by the IAESB  
**Action Plan Objective:** Implement professional certification of AAP members

**Background:**

The accounting profession is currently not regulated in Poland. By 2014 the rules regarding the provision of bookkeeping services to the third parties were established by the Ministry of Finance that has issued its own certificates. After deregulation of the accountancy profession in 2014, there is not any accounting specialization or service (except auditing financial statements by auditors) that would be subject to the provisions of the law or regulation. The Accountants Association in Poland as the oldest and biggest professional organization has developed its own educational path and the requirements for the people interested in dealing with accounting.

AAP has developed its own certification program for the accountancy profession, covering four levels of education, which completion ends with obtaining a specific qualification and a certificate. The courses covered by the certification program are organized by 41 non-public educational centers functioning with the structures of the regional branches of AAP. The curriculum covers all areas prescribed in IES 2. The CPD for certified accountants has been developed according to IES 7. Certified accountants within the CPD are obliged to attend 90 hours of training in 3 successive years. In each year at least 20 hours must be dedicated to CPD. Self-study is regarded as a form of CPD. The titles of the first three certification levels (accountant, accounting specialist, and chief accountant), confirmed by the certificate, are received after passing the exam before an independent examination commission operating within an examination center. Within its structures, AAP has the Main Professional Examination Commission whose responsibility is to consider applications and administer examinations for a title of a certified accountant.

In 2009, the Extraordinary National Assembly of Delegates introduced in the AAP Statute a new membership category – an ordinary member *certified accountant*. Only a person of unblemished reputation, practicing the accountancy profession or other professions related to accounting, and additionally having professional competence and agreeing to follow the CPD and the Code of Professional Ethics in Accounting can become a certified accountant.

In 2013 in order to enhance the high quality of accounting services the Main Board of AAP created a title of a *certified expert of accounting services*. It can be achieved by an individual who after meeting specified requirements will finalize training and pass qualification exam thereby confirming knowledge and skills in the scope of organizing accounting services.

In 2016 a title of a *certified specialist of accounting and tax services* was introduced. A person holding this title possess the required knowledge, practice, and is subject to CPD.

In 2018 the AAP introduced a possibility to obtain a title of a *certified expert of accounting services* by persons already holding a title of a *certified specialist of accounting and tax services* provided that they have required education and passed an examination introduced a possibility to obtain a title of a *certified expert of accounting services* by persons already holding a title of a *certified specialist of accounting and tax services* provided that they have the required education and passed an examination.

A *certified expert of accounting services* and *certified specialist of accounting and tax services* have to attend 60 hours of training during the 3 following years of which at least 10 hours of CPD must be training and conferences organized by the AAP.

A *certified accountant, certified expert of accounting services* and *certified specialist of accounting and tax services* are required to be members of the AAP.

Having regard to the market needs as to the qualifications demonstrated by accountancy professionals, AAP has established the Employers' Council serving as an advisory and opinion-making body. The Commission for Training and Publications is very active within AAP, as well as its Research Council within which there are among others: the Commission for Developing Professions Related to Accountancy.

The Association issues the nationwide monthly *Accountancy*, which has been published continuously for 71 years. A special *Auditor* appendix is attached to *Accounting* every quarter.

The AAP publishes quarterly a bulletin - *The World of Accountant* (dedicated for the members of the AAP and the entire accounting community) - in paper and electronic version (available on AAP website), maintains a website ([www.skwp.pl](http://www.skwp.pl)) - an online compendium of knowledge about the AAP and matters important for the accounting community. It encourages to join the organization and provides information about lectures conferences and training throughout Poland which are available to everyone. It also maintains the information service available to the AAP members only.

#	Start Date	Actions	Completion Date	Responsibility	Resource
<i>Analysis of the Current Status of IESs and Implementing the Program of Professional Certification for Accountants</i>					
1.	2013	<p>Experiences from the realization of the four-level educational process in the context of the labor market expectations and the requirements of revised IESs are analyzed and used in the process of improving curricula.</p> <p>In 2019, modification of the curricula and methodological guides at the 1st and 2nd levels of certification took place.</p> <p>Currently, works are underway to change the curriculum at the 3<sup>rd</sup> level of certification (chief accountant), which will apply from September 2020.</p> <p>After the approval of the new curriculum, the training materials and methodological guide for lecturers will be adapted to it.</p> <p>Modification of the curriculum and development of methodological guidelines for the 4th level (certified accountant) – is underway.</p>	Ongoing	MB Presidium	CTP
2.	2018	<p>The AAP has provided a detailed description of 6 market qualifications to the Integrated Qualification System. The description includes required learning outcomes, validation requirements, and entities carrying out validation as well as the level of the Polish Qualification Framework for a given qualification. Five qualifications have been included in the Integrated Qualification System: 3 in the area of accounting and 2 in the area of human resources and payroll. The AAP obtained the status of a certifying authority (conducting examinations) in the area of human resources and payroll qualifications (for the qualification of Human Resources Management).</p> <p>Integrated Qualification System was introduced in Poland by the Act of December 22, 2015.</p>	Completed	MB Presidium	CTP MBO
3.	2020	<p>The AAP currently prepares itself to conduct the first examinations to the qualification of Human Resources Management.</p>	Ongoing	MB Presidium	CTP MBO
4.	2020	<p>The AAP applies for the status of a certifying authority for four market qualifications (Support of accounting processes</p>	In progress	MB Presidium	MBO

#	Start Date	Actions	Completion Date	Responsibility	Resource
		servicing, Accounting processes servicing, Management of accounting processes, Management of payroll processes.).			
5.	March 2012	Updating and improving the CPD system for certified accountants and other professional titles that are granted by the AAP.	Ongoing	MB Presidium	CTP MBO
6.	September 2009	Trainings for candidates to the title of certified accountant based on the certification educational path.	Ongoing	RB Directors	RB
7.	October 2010	Official vowing ceremony and presenting certificates to the first certified accountants.	Ongoing	MBO Director	MBO
8.	October 2010	Keeping the register of certified accountants.	Ongoing	MBO	MBO
9.	Ongoing	Conducting exams on the I-III levels by the regional examination commissions.	Ongoing	RB Boards	RB
10.	Ongoing	Conducting exams for the title of a certified accountant by the Main Professional Examination Commission.	Ongoing	Chair of MPEC	MPEC
11.	Ongoing	Conducting courses that develop and expand the knowledge and skills of certified accountants.	Ongoing	RB Boards	RB
12.	December 2013	Introducing the new title of a certified expert of accounting services. Developing the concept, curriculum, conducting courses, exams, and awarding the titles.	Completed	MB Presidium	RB
13.	2016	Introducing a title of a certified specialist of accounting and tax services.	Completed	MB Presidium	RB
14.	2013	Expanding educational offer for accounting firms to improve the quality of their services.	Ongoing	MB Presidium RB	RB
<i>Ongoing Activities</i>					
15.	Ongoing	Liaison with international institutes to exchange experience in CPD certification and training.	Ongoing	IRC Chair MBO Director	IRC

<b>#</b>	<b>Start Date</b>	<b>Actions</b>	<b>Completion Date</b>	<b>Responsibility</b>	<b>Resource</b>
16.	Ongoing	Sharing the AAP experience in certification with other foreign PAOs. Presentation of AAP experience during international conferences and meetings.	Ongoing	IRC Chair	IRC PD
17.	Ongoing	Promotion of AAP certificates through interviews, articles in the press, organization, and participation in thematic conferences and seminars addressed to the community of accountants with special focus on promotion among employers and students. Promoting certification of the accounting profession on the occasion of a Day of Accountant celebrated on the 9th of June every year.	Ongoing	MBO Director Spokesperson RB	MBO Spokesperson RB PD
18.	2013	Cyclical (every 2 years) co-organization of the "Accountants of the Future" competition – by preparing the questions and tasks and participation in the jury.	every two years	MBO	MBO RB
19.	2019	A yearly conference for accountants and entrepreneurs. In 2020 it was revoked due to the pandemic of Covid – 19.	every year	MBO Director	MBO RB
20.	2013	Organizing training within CPD for certified accountants.	Ongoing	RB Directors	RB
21.	Ongoing	Promoting IESs among higher education institutions. Promotion of IESs during conferences, meeting, and interviews, in press articles and in the internal materials of the AAP addressed do its members, etc.	Ongoing	RC Presidium	RC Commissions
22.	March 2011	Participation in the works of the Institute of Educational Research devoted to the development of the National Qualifications Framework. As a result of this cooperation, the AAP described 6 qualifications of which 5 has been introduced to the Integrated Qualification System.	Completed	MBO Director	MBO
23.	January 2019	Participation in the conferences of the Educational Research.	Ongoing	MBO	MBO
24.	January 2009	Ongoing update and issue of IESs 1-8 (the newest Polish edition is planned for July 2020).	Completed	PD	PD

#	Start Date	Actions	Completion Date	Responsibility	Resource
<i>Review of the AAP's Compliance Information</i>					
25.	Ongoing	Performing cyclical reviews of the AAP's response to the IFAC Compliance Self-Assessment questionnaires and updating sections relevant to the revised SMO 2 when necessary. Once updated, informing the IFAC Compliance staff about the updates in order for the Compliance staff to republish updated information.	Ongoing	CTP Chair	CTP

**Action Plan Subject:** SMO 3–International Standards and other Pronouncements Issued by the IAASB  
**Action Plan Objective:** Support Implementation of ISAs and other IAASB Pronouncements

<b>Background:</b>					
<p>The Polish Chamber of Statutory Auditors is a body responsible for developing and implementing the auditing standards. the AAP supports the ISAs implementation in Poland through the translation of documents relating to best practices in auditing. ISAs were translated by the AAP into Polish in 1996. The last translation project of ISA was realized in 2009 jointly with PCSA.</p> <p>At present the PCSA is responsible for translation of ISA as the standards have been officially adopted by the PCSA to use by the auditors as the basis of the financial statements audits in Poland.</p>					
#	Start Date	Actions	Completion Date	Responsibility	Resource
<i>Maintaining Ongoing Processes</i>					
1.	Ongoing	Monitor changes, revisions, and new IAASB pronouncements; placing relevant information about IAASB works and products into the AAP records and website. Promoting IAASB pronouncements in a monthly magazine <i>Accountancy</i> .	Ongoing	PD	PD
2.	Ongoing	Promote ISAs in media, press, at professional conferences and seminars, and in the AAP materials addressed to its members, etc.	Ongoing	MBO Director Spokesperson	MBO Spokesperson
<i>Review of the AAP's Compliance Information</i>					
3.	Ongoing	Perform cyclical reviews of the AAP's response to the IFAC Compliance Self-Assessment questionnaires and update sections relevant to the revised SMO 3 as necessary. Once updated, informing IFAC Compliance staff about the updates in order for the Compliance staff to republish updated information.	ongoing	PD	PD



**Action Plan Subject:** SMO 4–IESBA Code of Ethics for Professional Accountants  
**Action Plan Objective:** Implement the AAP *Code of Professional Ethics in Accounting* based on IESBA Code of Ethics

<b>Background:</b>					
<p>The broad membership base of the AAP means that the IESBA Code of Ethics is not applied in its entirety to all members.</p> <p>The AAP has developed its own Code of Professional Ethics in Accounting (CPEA) whose principles are compliant with the IESBA Code of Ethics to consider Polish realities and the AAP character. In 2007 the National Assembly of Delegates adopted the CPEA and set up an Ethics Commission that strives to promote CPEA principles and attract new signatories. All the AAP members are signatories of CPEA and based on the AAP Statute provisions are required to follow the CPEA. The promotion of the Code is an ongoing process. Professional ethics have been included in the programs of all AAP educational projects. <i>Bank of Ethical Dilemmas</i> featuring case studies has been created as a tool used in different forms of education and professional development. The Association promotes also the IESBA Code which was translated into Polish and published on the AAP website.</p>					
#	Start Date	Actions	Completion Date	Responsibility	Resource
<i>Historical Background of the AAP Code of Professional Ethics in Accounting (CPEA)</i>					
1.	2006	Creating a <i>Bank of Ethical Dilemmas</i> supporting the teaching of the ethical principles on different levels of professional accounting education and their popularization in the professional community.	Ongoing	Chair of EC	EC
<i>Promote and Build Awareness of CPEA in the Professional, Academic and Business Environment</i>					
2.	2007	Setting up the Ethics Commission as a body that initiates, prepares and coordinates many projects in the area of ethics throughout the AAP.	Ongoing	Chair of EC	EC
3.	September 2007	Promotion of CPEA and collecting from students, businesses, and audit firms the examples of ethical dilemmas to be included in the <i>Bank of Ethical Dilemmas</i> .	Ongoing	Chair of EC	EC
4.	May 2008	Promoting of CPEA by the AAP Regional Branches during member meetings and courses. Encouraging active participation of Regional Branches in the creation of the <i>Bank of Ethical Dilemmas</i> .	Ongoing	Chair of EC MB Presidium	RB

5.	September 2008	Organizing the <i>Contest for the Best Studies on Ethical Accounting Dilemmas</i> and promoting the contest in media.	Ongoing	Chair of EC	EC CTP
<i>Implementation of the CPEA</i>					
6.	February 2012	Including educational modules on ethics in training program related to certification of the accountancy profession by the AAP followed by relevant updates. Organizing workshops for lecturers in ethics.	Ongoing	Chair of EC	EC CTP
7.	2013	The popularization of CPEA issued in English, French, German, and Russian among foreign accounting organizations.	Ongoing	Chair of EC	EC RB MBO
8.	September 2013	Review and update of the algorithm (scheme) of resolving ethical dilemmas, being a proposal of conduct in a situation of ethical doubts encountered in a work of an accountant.	Ongoing	Chair of EC	MBO
9.	2013	Introducing vocational counselling for members and other persons from a professional environment and candidates to the accountancy profession, which includes issues of professional ethics.	Ongoing	Chair of EC MBO Director RB Directors	RB MBO
10.	June 2015	Publishing studies on ethical dilemmas in manuals and in the <i>Courier of Ethics</i> used in training and popularization activities.	Ongoing	Chair of EC MBO Director	MBO
11.	2016	Enriching the manual <i>Professional Ethics in Accounting</i> (in subsequent editions) with new texts useful for teaching and popularization of the principles of the professional ethics.	(2 <sup>nd</sup> edition – 2020)	MBO Director	MBO
12.	June 2018 2013	Issuing the newsletter <i>Courier of Ethics</i> .	Ongoing	Chair of EC	EC MBO
13.	December 2007	Including issues of professional ethics in action plans of the AAP authorities at all organizational levels, including the Research Council and the Employers' Council appointed by the Main Board of the AAP.	Ongoing	Chair of EC	EC

14.	October 2011	Recommendation to include the subject <i>Principles of Professional Ethics in Accounting</i> in the curriculum of post-graduate studies in Accountancy.	Ongoing	Chair of EC CTP Chair	EC CTP
15.	October 2012	Setting up and granting a distinction being the title of the <i>Ambassador of Professional Ethics in Accounting</i> for persons and organizations that put distinguished efforts to popularize principles included in CPEA and attract CPEA signatories.	Ongoing	EC MBO	EC MBO
16.	2015	Introduction of issues of professional ethics in accounting to the subject of annual competitions of knowledge of accounting, in which accountants, as well as high school students participate.	Ongoing	Chair of EC	EC
<i>Other activities</i>					
17.	2007	Attracting CPEA Signatories and monitoring other actions taken by the AAP Regional Branches to promote CPEA.	Ongoing	MBO Chair of EC RB Boards	MBO EC
18.	2007	Making and maintaining contacts with organizations supporting ethical behaviors in business and who popularize the title of CPEA signatory.	Ongoing	Chair of EC	EC
19.	2007	Initiating different activities aimed at the popularization of CPEA in enterprises and other organizational entities conducting accounting as well as at the universities of economics and high schools realizing education in the field of accounting.	Ongoing	Chair of EC MBO Director	EC MBO
20.	2007	Promoting CPEA at conferences, meetings, interviews, in press articles, and in the AAP materials addressed to its members, etc.	Ongoing	Chair of EC MBO Director	EC MBO
21.	2007	Developing possible changes to CPEA provisions based on comments, especially those submitted by the signatories.	Ongoing	Chair of EC	EC
22.	2007	Examination of CPEA violations reported to the Ethics Commission, e.g., collecting information and evidence, their assessment, and drawing conclusions.	Ongoing	Chair of EC	EC
23.	2007	Delivering opinions/taking decisions in cases of CPEA violation by its signatories, and implementing appropriate	Ongoing	Chair of EC	EC

		proceedings, i.e.: forwarding the issue to the relevant Disciplinary Peer Court of the AAP or using other methods (turning individual attention to the violation of CPEA principles, stigmatization of the cases of principles violation, deleting from the register of signatories).			
24.	2007	Initiating different activities to eliminate reasons for non-ethical behaviors and activities.	Ongoing	Chair of EC RB	EC RB
25.	2007	Providing interpretation of CPEA provisions.	Ongoing	Chair of EC	EC
26.	2007	Periodic publication of articles on professional ethic in accounting, CPEA and the work of Ethics Commission, in the magazines such as <i>Accountancy (Rachunkowość)</i> , <i>World of Accountants (Świat Księgowych)</i> , <i>Legal Gazette (Gazeta Prawna)</i> , <i>Rzeczpospolita</i> and other press media.	Ongoing	Chair of EC	EC Spokesperson
27.	2007	Monitoring IESBA activities, its standards, and publications. Making the AAP members and other interested parties aware of the newest ethical requirements.	Ongoing	Chair of EC	PD
28.	2007	Updating ethical requirements addressed to AAP members, with the newest IESBA and IFAC ethical updates.	Ongoing	Chair of EC	PD
29.	2007	Initiating and conducting empirical research on ethics and ethical threats.	Ongoing	Chair of EC	PD
30.	April 2012	Monitoring publications damaging the prestige of the accountancy profession and those dealing with accounting and taking relevant steps.	Ongoing	Chair of EC MB Presidium	EC MBO Spokesperson
<i>Review of AAP's Compliance Information</i>					
31.	Ongoing	Perform periodic review of AAP's response to the IFAC Compliance Self-Assessment questionnaires and update sections relevant to the revised SMO 4 as necessary. Once updated inform IFAC Compliance staff about the updates in order for the Compliance staff to republish updated information.	Ongoing	Chair of EC	PD

**Action Plan Subject:** SMO 5–International Public Sector Accounting Standards and Other Pronouncements Issued by the IPSASB  
**Action Plan Objective:** Translation of IPSAS and Using Best Endeavors to Promote IPSASs to the Public Sector and Related Stakeholders

<b>Background:</b>					
<p>The decision regarding accepting the IPSAS rests on the Ministry of Finance. AAP undertakes promotional activities for the adoption of IPSAS in Poland. The decision to translate IPSAS has been delayed by the main initiators i.e. Ministry of Finance.</p> <p>Based on the IPSAS the European Public Sector Accounting Standards (EPSAS) are to be developed. At the moment the decision about the adoption of the EPSAS is suspended at the European Commission level. In the public finance sector in Poland, the cash and the accrual basis of accounting are used.</p>					
#	Start Date	Actions	Completion Date	Responsibility	Resource
<i>Promotion of IPSAS</i>					
1.	May 2012	Promoting IPSAS during the Public Finance Forum.	Periodical	RC Presidium	RC Commissions
<i>Ongoing Activities</i>					
2.	Ongoing	Translating IFAC publications on IPSAS and including them into materials addressed to AAP members and other interested parties.	Ongoing	PD	PD
3.	2019	The initiative of the Ministry of Finance regarding the translation of IPSAS into Polish by AAP. Commencing the IPSAS translation depends on obtaining the funds from the European Commission.	2016	PD	MBO
<i>Review of AAP's Compliance Information</i>					
4.	Ongoing	Performing periodic review of the AAP's response to the IFAC Compliance Self-Assessment questionnaires and update sections relevant to the revised SMO 5 as necessary. Once updated, informing IFAC Compliance staff about the updates in order for the Compliance staff to republish updated information.	Ongoing	PD	MBO

**Action Plan Subject:** SMO 6–Investigation and Discipline  
**Action Plan Objective:** Revise Provisions of the AAP’s Disciplinary Bylaws in Accordance with SMO 6 Requirements

**Background:**

The AAP as an organization associating members on a voluntary basis has its own investigative and disciplinary mechanism, which is based on the main requirements set out in SMO 6. Acts violating the provisions of the generally applicable law, the AAP Statute and professional ethics, including the dignity of the accountancy profession and good professional behavior, may result in a warning, reprimand, suspension of the member's rights for a period of up to 1 year or for a period from 1 to 3 years or exclusion from the membership of the Association.

Peer courts operating within the AAP structure (i.e., the Main Peer Court and Regional Peer Courts operating within the AAP Regional Branches) constitute one of the four authorities of the Association and have full independence and autonomy. Members of the peer courts are elected every 4 years: (members of the Regional Peer Courts are elected during the Regional Assemblies of Delegates and the members of the Main Peer Court during the National Assembly of Delegates).

As planned the AAP carried out reviewing its disciplinary regulations. The amended regulations specifying the rules and procedures before the Association's peer courts in matters of disciplinary liability - for acts violating generally applicable law, the AAP Statute and/or professional dignity, were submitted and adopted by the XXII National Assembly of Delegates in 2019. Adopted *Bye-laws of peer courts of the Accountants Association in Poland* regulates in detail the individual elements of the disciplinary and investigation process, namely: jurisdiction and composition of the courts, exclusion of a member of the adjudicating panel of the court, parties to the proceedings, disciplinary spokesperson, evidentiary proceedings, deadlines and delivery, decisions, penalties, suspension of proceedings, discontinuation of proceedings, explanatory proceedings, proceedings before the hearing, hearing and its course, jurisdiction of courts in appeal proceedings, appeal procedure, circumstances justifying the resumption of proceedings, proceedings following an application for resumption of proceedings, enforcement of decisions, organizational and administrative support for disciplinary proceedings.

#	Start Date	Actions	Completion Date	Responsibility	Resource
<i>Review AAP’s Disciplinary Bylaws and Recommend Enhancements</i>					
1.	Ongoing <sup>2</sup>	Further clarification of the Bye-law’s provisions regarding procedures for providing assistance at the request of public authorities conducting criminal proceedings, the establishment of an external, independent review of complaints submitted in the event of a decision not to launch a disciplinary hearing, as well as setting the time frame regarding the conduct of explanatory proceedings and storage of documentation.	Ongoing	Chair of MPC	MPC

2.		Disciplinary cases are conducted by the peer courts on an ongoing basis without a delay or postponement. In case of tardiness in the operation of a specific Regional Peer Court, the By-laws provide for a supervisory instrument that enables the Main Peer Court to take over the case from the Regional Peer Court in the event of its failure to perform its statutory tasks.	Ongoing	Chair of MPC	MPC
3.	2019	Organizing meetings of the Main Peer Court and Regional Peer Courts to exchange experience and create a platform of best practices.	Ongoing	Chair of MPC RPC	MPC RPC
<i>Review of AAP's Compliance Information</i>					
4.	Ongoing	Perform a review of the AAP's response to the IFAC Compliance Self-Assessment questionnaires and update sections relevant to the revised SMO 6 as necessary. Once updated inform IFAC Compliance staff about the updates in order for the Compliance staff to republish updated information.	Ongoing	PD	PD

**Main Requirements of SMO 6 [I&D System operated by AAP]**

SMO 6 Best Practices	Yes	No	Partially	Additional / Explanatory Comments
<b>Scope of the system</b> A system of investigation, discipline and appeals exists for the accountancy profession. The system is operational.	x			
Information about the types of misconduct which may bring about investigative actions is publicly available.		x		
<b>Initiation of Proceedings</b> Both a "complaints-based" and an "information-based" approach are adopted.	x			
Link with the results of QA reviews has been established.	x			

SMO 6 Best Practices	Yes	No	Partially	Additional / Explanatory Comments
<b>Investigative process</b> A committee or similar body exists for performing investigations.	x			
Members of a committee are independent of the subject of the investigation and other related parties (no conflict of interests).	x			
<b>Disciplinary process</b> A separate disciplinary committee/entity exists to make disciplinary decisions on referrals from the investigation committee.	x			
Members of the committee/entity include professional accountants as well as non-accountants.	x			
The tribunal exhibits independence of the subject of the investigation and other related parties (no conflict of interests).	x			
<b>Sanctions</b> The disciplinary system allows imposing an extensive range of penalties. It is particularly important to include (a) loss of professional designation; (b) restriction and removal of practicing rights; and (c) exclusion from membership.	x			
<b>Rights of representation and appeal</b> A third appeals body exists which is separate from both the disciplinary committee and investigative committee.	x			
<b>Administrative Processes</b> Timeframe targets for disposal of all cases are set.	x			
Tracking mechanisms to monitor progress in investigation and discipline and related procedures are established.	x			



SMO 6 Best Practices	Yes	No	Partially	Additional / Explanatory Comments
Records of investigations and disciplinary processes are established.	x			
<b>Public Interest Considerations</b> Activities are supported to ensure that the public is aware that an investigative and disciplinary system exists in the jurisdiction.			x	
A process for the independent review of complaints on which there was no follow-up is established.			x	
The results of the investigative and disciplinary proceedings are made available to the public.		x		
<b>Liaison with Outside Bodies</b> There is an appropriate process for liaison with outside bodies on possible involvement in serious crimes and offences.	x			
<b>Regular review of implementation and effectiveness</b> Regular review of implementation and effectiveness of the system are performed and corrective actions are implemented.			x	

**Action Plan Subject:** SMO 7–International Financial Reporting Standards and Other Pronouncements issued by the IASB  
**Action Plan Objective:** Support Implementation of IFRSs and Maintain High Quality Translation Process

**Background:**

As per EU Regulation 1606/2002, and in accordance with the Accounting Act:

- The consolidated financial statements of listed entities and banks (regardless of whether they are listed or not) must be prepared according to IFRS.
- Single financial statements of listed entities can be prepared in line with accounting policies applied by the entity preparing financial statements according to IFRS/IAS or national accounting standards.
- For non-listed entities, single financial statements can be prepared according to IAS/IFRS only if financial statements of the parent entity are prepared in accordance with IFRS.
- There is also an option to choose IAS/IFRS to prepare consolidated financial statements for entities aspiring to be admitted to trading on regulated markets.

For non-listed companies and SMEs, the requirements of the Accounting Act and relevant complementary legislation apply. Additionally, for matters not regulated by the Accounting Act, while adopting their accounting principles, entities may apply National Accounting Standards issued by the national Accounting Standards Committee (ASC). If there are no applicable domestic standards, entities can apply IFRS. The AAP is actively involved in drafting relevant accounting legislation and has four representatives at ASC.

The AAP has been the only Polish body publishing the Polish translation of the IFRS bound volume constantly since 2001 to 2016, in accordance with the IFRS Foundation translations and publications policy

#	Start Date	Actions	Completion Date	Responsibility	Resource
<i>Analysis and Translation of IFRS</i>					
1.	October 2013	Completing the translation and publication of IFRS 2016 Bound Volume.	Completed	PD	PD
<i>Promotion of IFRS</i>					
2.	Ongoing	Monitoring of the IASB periodicals and other brochures on the newest developments in IFRS and IASB's works and making them available to the AAP members through their publication on AAP website and in the AAP protocols.	Ongoing	PD	PD

3.	Ongoing	Conducting training and courses to promote IFRS. IFRS module within the certification program for candidates to the title of a certified accountant.	Ongoing	RB Directors	RB
4.	Ongoing	Review of the current IFRS status, monitoring changes to IFRS, and cooperation with IASB Translations Department.	Ongoing	PD	PD
5.	Ongoing	Organizing outreach events jointly with the Ministry of Finance and PCSA, upon EFRAG invitation.	Ongoing	MBO Director	MBO
6.	Ongoing	Promoting IFRS in media, press, at professional conferences and seminars, and in the AAP materials addressed to its members, etc.	Ongoing	MBO Director RB Directors	MBO Spokesperson RB
<i>Review of AAP's Compliance Information</i>					
7.	Ongoing	Perform periodic review of the AAP's response to the IFAC Compliance Self-Assessment questionnaires and update sections relevant to the revised SMO 7 as necessary. Once updated inform IFAC Compliance staff about the updates in order for the Compliance staff to republish updated information.	Ongoing	PD	PD