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IFAC Member Compliance Program
Dashboard Report
May 2026

Kosovo/Society of Certified Accountants and Auditors of Kosovo (SCAAK)	
Established:	2001
IFAC status:	Associate since 2003; Member since 2009
Recognition:	Law
Membership:	Mixed
Commitment to the IFAC mission:	Demonstrated
Capacity to actively participate in the IFAC Compliance Program:	Demonstrated
Financial and operational viability:	Appropriate
Governance structure:	Appropriate
Internal operational structure:	Appropriate

Overview of Statutory Framework for Accounting and Auditing

Accounting

The financial reporting framework in Kosovo is established under Law No. 06/L–032 on Accounting, Financial Reporting and Auditing. The law requires the application of international accounting and auditing standards for business entities, except for entities subject to the supervision of the Central Bank of the Republic of Kosovo (CBK). Banks, insurance companies, pension funds, and other financial institutions are additionally regulated under Law No. 03/L–209 on the Central Bank of the Republic of Kosovo. The CBK requires banks and insurance companies to apply full International Financial Reporting Standards (IFRS Accounting Standards).

Under Law No. 06/L–032, business organizations registered as limited liability companies or joint stock companies are required, depending on their size, to apply either full International Financial Reporting Standards (IFRS Accounting Standards) or the IFRS for Small and Medium-sized Entities (IFRS for SMEs) as translated into Albanian and approved by the Kosovo Council for Financial Reporting (KCFR). The KCFR maintains a cooperation arrangement with the National Accounting Council of Albania for the use of Albanian translations of IFRS Accounting Standards issued by the International Accounting Standards Board (IASB). As of the date of the assessment, the 2024 consolidated version of IFRS Accounting Standards and the 2015 version of the IFRS for SMEs are approved for application in Kosovo.

Law No. 06/L–032 establishes differentiated financial reporting requirements based on entity size. Large entities are those exceeding two of the following criteria: annual turnover of EUR 40 million, total assets of EUR 20 million, or an average of more than 250 employees during the financial year. Medium-sized entities are those that do not exceed at least two of the large entity thresholds. Small entities are those that do not exceed at least two of the following thresholds: annual turnover of EUR 8 million, total assets of EUR 4 million, or an average of more than 50 employees during the financial year. Micro-entities are those that do not exceed at least two of the following thresholds: annual turnover of EUR 700,000, total assets of EUR 350,000, or an average of 10 employees during the financial year.

Large entities are required to apply full IFRS Accounting Standards as approved by the KCFR. Medium-sized and small entities may apply either full IFRS Accounting Standards or the IFRS for SMEs. Micro-entities are required to apply simplified accounting requirements issued by the KCFR. Entities may also elect to directly apply IFRS Accounting Standards as issued by the IASB.

Auditing

Law No. 06/L–032 on Accounting, Financial Reporting and Auditing establishes statutory audit requirements in Kosovo. Medium-sized and large entities are required to have their financial statements audited.

Statutory audits are required to be conducted in accordance with International Standards on Auditing (ISA) and related pronouncements issued by the International Auditing and Assurance Standards Board (IAASB) and approved by the KCFR. The KCFR is responsible for reviewing translated standards and approving them for application in the jurisdiction. As of the date of the assessment, the auditing framework is based on the 2018 IAASB Handbook approved by the KCFR.

During 2025, the Society of Certified Accountants and Auditors of Kosovo (SCAAK), in cooperation with the Institute of Authorized Chartered Auditors of Albania (IEKA), completed Albanian translations of ISA 315 (Revised 2019), ISA 220 (Revised), and ISA 600 (Revised) and made them available to members. SCAAK and IEKA have also translated the International Standard on Auditing for Audits of Financial

Statements of Less Complex Entities (ISA for LCE) and supported awareness and implementation activities. However, ISA for LCE has not yet been formally approved by the KCFR and is therefore not adopted for jurisdiction-level application.
Regulation of the Accountancy Profession
Under Law No. 06/L–032 on Accounting, Financial Reporting and Auditing, the Kosovo Council for Financial Reporting (KCFR), operating under the Ministry of Finance, Labour and Transfers, is responsible for regulating the accountancy and audit profession in Kosovo. The law establishes a shared regulatory framework involving the KCFR, the Public Oversight Board (POB), and licensed professional accountancy organizations. The responsibilities of the KCFR include approving accounting, auditing, and ethical standards; establishing professional education requirements for accountants and auditors; licensing statutory auditors and audit firms and maintaining public registers; and licensing and overseeing professional accountancy organizations. The law also defines the role of certified accountants and requires the financial statements of certain entities, including medium-sized and large entities, to be signed by a certified accountant. Professional accountancy organizations licensed by the KCFR are delegated responsibility for administering professional certification programs for accountants and auditors. Licensed professional accountancy organizations are additionally responsible for establishing ethical requirements for their members based on the International Code of Ethics for Professional Accountants (including International Independence Standards) issued by the International Ethics Standards Board for Accountants and for operating investigative and disciplinary systems for their members. To be licensed by the KCFR, professional accountancy organizations must satisfy the requirements established under Law No. 06/L–032 and Administrative Instruction No. 01/2014 on the Criteria for Recognition of Professional Associations of Accountants and Auditors. Licensed professional accountancy organizations are required to operate as non-profit organizations acting in the public interest; comply with the IFAC Statements of Membership Obligations (SMOs); adopt the International Code of Ethics for Professional Accountants (including International Independence Standards); maintain investigation and discipline systems for their members; and achieve IFAC Associate membership within three years and IFAC membership within five years from the entry into force of the law. As of the date of the assessment, three professional accountancy organizations are licensed by the KCFR: the Society of Certified Accountants and Auditors of Kosovo (SCAAK), the Institute for Accounting, Auditing and Finance (IKAF), and the AAB Institute for Certified Accountants and Auditors (IAAB). SCAAK is currently the only licensed professional accountancy organization that is a member of IFAC. Candidates seeking qualification as certified accountants are required to hold a university degree, complete a minimum of three years of relevant practical experience, and successfully complete a professional certification program offered by a licensed professional accountancy organization. Law No. 06/L–032 requires professional education programs for certified accountants to align with the International Education Standards issued by IFAC. Certified accountants are required to maintain membership in a licensed professional accountancy organization. To qualify as statutory auditors, candidates must complete professional education and examinations, obtain at least three years of practical experience under the supervision of a statutory auditor or audit firm, and maintain membership in a licensed professional accountancy organization, among other requirements

established by law. Professional education requirements for statutory auditors are also required to align with the International Education Standards.

Law No. 06/L–032 additionally provides for the establishment of the Public Oversight Board as the independent public oversight mechanism for the audit profession. The POB operates within the institutional framework of the KCFR and is responsible for oversight of continuing professional development, quality assurance reviews, and investigative and disciplinary systems relating to statutory auditors and audit firms. The POB is also responsible for conducting quality assurance reviews of auditors and audit firms on a risk-based basis.

Professional Accountancy Organizations

Law No. 06/L–032 on Accounting, Financial Reporting and Auditing provides for the licensing of professional accounting and auditing associations by the Kosovo Council for Financial Reporting (KCFR). Licensed associations are required to meet legal and regulatory criteria established by the KCFR, comply with IFAC requirements, ensure that members act in accordance with professional conduct and ethical requirements, and support professional education and certification.

Membership in a licensed professional association is mandatory for certified accountants and statutory auditors. As of the date of the assessment, three professional accountancy organizations are licensed in Kosovo: the Society of Certified Accountants and Auditors of Kosovo (SCAAK), the Institute for Accounting, Auditing and Finance (IKAF), and the AAB Institute for Certified Accountants and Auditors (IAAB).

Society of Certified Accountants and Auditors of Kosovo

The Society of Certified Accountants and Auditors of Kosovo (SCAAK) was established in 2001 as a non-governmental and non-profit professional accountancy organization. SCAAK was the first professional accountancy organization in Kosovo to provide accounting and auditing education and the first professional accountancy organization licensed by the KCFR. It remains the only licensed professional accountancy organization in Kosovo that is a member of IFAC.

SCAAK provides certification programs for accounting technicians, certified accountants, auditors, public sector accountants and auditors, and internal auditors. Its certification programs are accredited by the National Qualifications Authority. SCAAK supports the development of the profession through certification, continuing professional development, technical resources, ethics and quality-related activities, and cooperation with regulators, universities, public institutions, and international partners.

Institute for Accounting, Auditing and Finance

The Institute for Accounting, Auditing and Finance (IKAF) was established in 2005 and licensed by the KCFR as a professional accounting and auditing association in 2013. IKAF provides professional education, certification, and training programs in accounting, auditing, finance, internal audit, tax, valuation, and related areas.

AAB Institute for Certified Accountants and Auditors

The AAB Institute for Certified Accountants and Auditors (IAAB) was established in 2016 as a non-governmental and non-profit professional association for accounting and auditing. IAAB is licensed by the KCFR and accredited by the National Qualifications Authority. It provides professional education and certification programs for accounting and auditing professionals and is a member of the Federation of Mediterranean Accountants.

Projects and Other Initiatives

Audit Oversight Arrangements
Law No. 06/L–032 on Accounting, Financial Reporting and Auditing establishes the legal framework for public oversight of the audit profession in Kosovo. The law approximates national legislation with the relevant European Union statutory audit framework and establishes the Public Oversight Board (POB) as the audit oversight mechanism for statutory auditors and audit firms.
The POB operates as the executive branch of the Kosovo Council for Financial Reporting (KCFR), which is established as the competent authority under the law. The KCFR is responsible for approving accounting, auditing, and ethical standards; licensing statutory auditors and audit firms; maintaining public registers; licensing and overseeing professional accountancy organizations; and issuing related sub-legal acts and guidance.
All statutory auditors and audit firms are subject to public oversight. The POB is responsible for oversight of continuing professional development, quality assurance systems, and investigative and administrative disciplinary systems. It is also responsible for quality assurance reviews of auditors and audit firms on a risk-based basis, with reviews conducted at least every three years for auditors and audit firms performing audits of larger and public interest entities and at least every six years in other cases.
The POB's responsibilities include preparing inspection methodologies, inspection reports, follow-up reports, reporting methodologies, and periodic inspection programs for approval by the KCFR; approving and appointing inspectors for each inspection; and preparing six-month and annual inspection plans for KCFR approval. The POB is required to report regularly to the KCFR and publish an annual report on quality inspection results.

Jurisdiction Status of Adoption

	Status	PAO Responsibility	Notes
QA	▲ **Partially Adopted**	**No Direct**	The quality assurance (QA) review system in Kosovo is established under Law No. 06/L–032 on Accounting, Financial Reporting and Auditing. The law establishes the Kosovo Council for Financial Reporting (KCFR) as the competent authority for regulating auditors and audit firms and the Public Oversight Board (POB) as the body responsible for oversight of QA systems and inspections. The POB is mandated to conduct QA reviews of auditors and audit firms on a risk-based basis, at least every three years for auditors and audit firms auditing larger and public interest entities and at least every six years in other cases. However, the POB QA review system has not yet been fully operationalized. In practice, the Society of Certified Accountants and Auditors of Kosovo (SCAAK) has conducted QA reviews of its members providing audit services since 2016 and certified accountants responsible for preparing and signing financial statements since 2020. The jurisdiction-level QA framework is established and aligned with several SMO 1 requirements, but it is not yet fully operational through the public oversight authority for all mandatory audits. The applicable quality management standard remains International Standard on Quality Control 1 under the 2018 IAASB Handbook. International Standard on Quality Management (ISQM) 1 and ISQM 2 have been translated and disseminated by SCAAK, but no evidence was identified that they have been formally adopted by the KCFR.
IESs	▲ **Partially Adopted**	**Shared**	Initial and continuing professional development requirements for certified accountants and statutory auditors in Kosovo are established under Law No. 06/L–032 on Accounting, Financial Reporting and Auditing. The Kosovo Council for Financial Reporting (KCFR) is responsible for establishing professional education requirements and overseeing implementation, while professional certification programs are administered by licensed professional accountancy organizations. Candidates for the certified accountant designation are required to hold a university degree, complete a minimum of three years of practical experience, and successfully

	Status	PAO Responsibility	Notes
			complete a professional certification program. Candidates seeking qualification as statutory auditors are additionally required to complete professional examinations and obtain practical experience under the supervision of a statutory auditor or audit firm. Continuing professional development requirements for statutory auditors are prescribed by law and subject to oversight by the KCFR. The Society of Certified Accountants and Auditors of Kosovo (SCAAK) additionally establishes continuing professional development requirements for its members, including certified accountants and accounting technicians. SCAAK reports that its certification and continuing professional development programs are aligned with the 2019 International Education Standards Handbook and are regularly updated to reflect revisions to the International Education Standards, including recent revisions relating to information and communications technologies and sustainability competencies. The jurisdiction-level framework incorporates many of the requirements of the International Education Standards for regulated segments of the profession. However, information demonstrating full alignment with the latest International Education Standards across all licensed professional accountancy organizations and all professional accountants was not identified. Accordingly, adoption of the International Education Standards is assessed as Partially Adopted.
ISAs	▲ **Partially Adopted**	**No Direct**	Law No. 06/L–032 on Accounting, Financial Reporting and Auditing requires all statutory audits in Kosovo to be conducted in accordance with International Standards on Auditing (ISA) and related pronouncements issued by the International Auditing and Assurance Standards Board (IAASB), as approved by the Kosovo Council for Financial Reporting (KCFR). The applicable version is the Albanian translation of the 2018 Handbook of International Quality Control, Auditing, Review, Other Assurance, and Related Services Pronouncements, translated by the Institute of Authorized Chartered Auditors of Albania and the Society of Certified Accountants and Auditors of Kosovo (SCAAK).

	Status	PAO Responsibility	Notes
			SCAAK indicates that the 2021 Handbook has been translated, and that International Standard on Quality Management 1, International Standard on Quality Management 2, and the International Standard on Auditing for Audits of Financial Statements of Less Complex Entities have been translated and disseminated to members. However, no evidence was identified that these pronouncements have been formally approved by the KCFR for jurisdiction-level application. During 2025, SCAAK, in cooperation with the Institute of Authorized Chartered Auditors of Albania, completed Albanian translations of ISA 315 (Revised 2019), ISA 220 (Revised), and ISA 600 (Revised), and made these standards available to members. These translations support implementation but do not change the jurisdiction-level adoption assessment unless formally approved by the KCFR.
IESBA Code of Ethics	**Partially Adopted**	**Shared**	Law No. 06/L–032 on Accounting, Financial Reporting and Auditing requires licensed professional accountancy organizations in Kosovo to adopt the International Code of Ethics for Professional Accountants (including International Independence Standards) issued by the International Ethics Standards Board for Accountants (IESBA) for application by their members. Membership in a licensed professional accountancy organization is mandatory for certified accountants and statutory auditors, and the Kosovo Council for Financial Reporting (KCFR) is responsible for approving the codes of licensed associations and enforcing compliance by statutory auditors. The Society of Certified Accountants and Auditors of Kosovo (SCAAK), a licensed professional accountancy organization and IFAC member, has adopted the 2023 International Code of Ethics for Professional Accountants for application by its members. SCAAK confirmed that all licensed professional accountancy organizations are legally required to adopt the Code, but it does not have direct evidence confirming the specific edition or version currently adopted or applied by the Institute for Accounting, Auditing and Finance and the AAB Institute for Certified Accountants and Auditors.

	Status	PAO Responsibility	Notes
IPSASs	▲ **Partially Adopted**	**No Direct**	Public sector accounting standards in Kosovo are established by the Ministry of Finance, Labour and Transfers. Kosovo applies cash-basis International Public Sector Accounting Standards (IPSAS), with annual financial statements presented on a basis consistent with cash-basis IPSAS requirements. According to the World Bank Centre for Financial Reporting Reform, Kosovo has applied cash-basis IPSAS since 2004. A transition to accrual-basis IPSAS has been identified as a long-term reform objective. The jurisdiction-level framework incorporates cash-basis IPSAS but has not adopted accrual-basis IPSAS for application by all public sector entities. Accordingly, IPSAS adoption is assessed as Partially Adopted.
I&D	▲ **Partially Adopted**	**Shared**	Law No. 06/L–032 on Accounting, Financial Reporting and Auditing of 2019 authorizes the Kosovo Council for Financial Reporting (KCFR) to impose sanctions for non-compliance by statutory auditors and audit firms. KCFR Administrative Instruction No. 01/2022 on Investigation and Discipline Procedures establishes the Commission for Investigation and Discipline of the KCFR, which is responsible for investigating and disciplining licensed professional accountancy organizations, audit firms, and statutory auditors. Licensed professional accountancy organizations are also required to establish investigation and discipline (I&D) systems for their members and report outcomes to the KCFR. The Society of Certified Accountants and Auditors of Kosovo (SCAAK) has established an I&D system for its members and reports that it is aligned with the requirements of SMO 6. However, there are two other professional associations licensed by the KCFR. The Institute for Accounting, Auditing and Finance, which is not an IFAC member organization, appears to have a policy on I&D for its members; however, it is not clear whether the system is operational and is aligned with the requirements of SMO 6. Lastly, information on the AAB Institute for Certified Accountants and Auditors (IAAB), which is also not a member organization of IFAC, is unavailable.

	Status	PAO Responsibility	Notes
IFRSs	**Adopted**	**No Direct**	[Law No. 06/L–032 on Accounting, Financial Reporting and Auditing]() requires business organizations registered as limited liability companies or joint stock companies to apply International Financial Reporting Standards (IFRS Accounting Standards) or the IFRS for Small and Medium-sized Entities (IFRS for SMEs), depending on entity size. Large entities are required to apply full IFRS Accounting Standards as approved by the Kosovo Council for Financial Reporting (KCFR), while other entities may elect to apply full IFRS Accounting Standards. Banks and insurance companies are also required by the Central Bank of the Republic of Kosovo to apply full IFRS Accounting Standards. The KCFR has an agreement with the National Accounting Council of Albania to use Albanian translations of IFRS Accounting Standards issued by the International Accounting Standards Board. As of the date of the assessment, the 2024 consolidated version of IFRS Accounting Standards is applied in Kosovo. The 2015 IFRS for SMEs is also adopted and applied in Kosovo for eligible small and medium-sized entities

Status of SMO Fulfillment by the PAO

	Status	Notes
SMO 1	**Sustain**	The Society of Certified Accountants and Auditors of Kosovo (SCAAK) has no direct responsibility for establishing the jurisdiction-level quality assurance (QA) review system. Under Law No. 06/L–032 on Accounting, Financial Reporting and Auditing, the Public Oversight Board, operating within the Kosovo Council for Financial Reporting, is responsible for mandatory QA reviews of statutory auditors and audit firms. The public oversight QA system has not yet been fully operationalized. SCAAK continues to use its best endeavors to support the establishment and implementation of a QA review system in Kosovo. It operates a Quality Management for Compliance with Standards Department, which reviews whether members are applying legal requirements, professional standards, and ethical requirements, and covers statutory auditors, certified auditors, certified accountants, and certified internal auditors. SCAAK supports members through QA reviews, site visits, annual reporting, continuing professional development, guidance, and communication with the KCFR and the Central Bank of the Republic of Kosovo. Its governance framework includes a Quality Management in Compliance with Standards Committee and department

	Status	Notes
		responsible for supporting compliance with SMO 1 and liaising with regulators on the Kosovo quality control review program. SCAAK reports that translations of the quality management standards have been completed and disseminated. Its 2025-2029 Strategic Plan also provides for the continued implementation and enhancement of the QA review system. SCAAK has demonstrated sustained activity to support QA implementation within the scope of its authority and continues to promote alignment with SMO 1 requirements.
SMO 2	**Sustain**	The Society of Certified Accountants and Auditors of Kosovo (SCAAK), as a professional accountancy organization licensed by the Kosovo Council for Financial Reporting, is responsible for administering certification programs for accountants and auditors. SCAAK's professional education program is developed in line with the International Education Standards (IES), as required under Law No. 06/L–032 on Accounting, Financial Reporting and Auditing. SCAAK offers certification programs for accounting technicians, certified accountants, auditors, internal auditors, forensic experts, tax experts, and other accountancy-related specializations. Its education program is supported by its agreement with BPP Learning Media and is regularly updated to reflect international developments and IES requirements. SCAAK also reports that it is updating its initial professional development and continuing professional development curricula to incorporate recent IES revisions, including sustainability, information technology, and examination-related competencies. SCAAK supports members and students through continuing professional development (CPD), professional certification, cooperation with universities, and digital tools to improve access to student, member, education, and quality management services. It also maintains CPD requirements for accountants and auditors, including a minimum annual requirement of 40 hours, with verifiable CPD requirements by membership category. SCAAK continues to cooperate with regional and international partners, including the Institute of Authorized Chartered Auditors of Albania, the Association of Chartered Certified Accountants, the Chartered Institute of Public Finance and Accountancy, the Association of Accounting Technicians, and the World Bank Centre for Financial Reporting Reform Education Community of Practice. These activities support alignment with international education practices and the continued development of the profession. SCAAK has demonstrated sustained activity to support the adoption and implementation of IES within the scope of its authority and has established processes to review and improve its education and CPD programming on an ongoing basis.

	Status	Notes
SMO 3	**Sustain**	The Society of Certified Accountants and Auditors of Kosovo (SCAAK) has no direct authority for adopting auditing standards in Kosovo. Under Law No. 06/L–032 on Accounting, Financial Reporting and Auditing, International Standards on Auditing (ISA) and related pronouncements issued by the International Auditing and Assurance Standards Board (IAASB) are approved for application by the Kosovo Council for Financial Reporting (KCFR). SCAAK supports implementation of ISA by facilitating access to Albanian translations of IAASB standards through its cooperation with the Institute of Authorized Chartered Auditors of Albania (IEKA), updating education and continuing professional development materials, and providing technical support to members. While the Albanian translation of the 2018 IAASB Handbook remains the version formally approved for application in Kosovo, SCAAK and IEKA have translated subsequent IAASB pronouncements, including the 2021 Handbook, International Standard on Quality Management 1, International Standard on Quality Management 2, and the International Standard on Auditing for Audits of Financial Statements of Less Complex Entities. During 2025, SCAAK and IEKA also completed Albanian translations of ISA 315 (Revised 2019), ISA 220 (Revised), and ISA 600 (Revised), and made these standards available to members. SCAAK continues to inform members of IAASB developments and provide training, guidance, and implementation support on auditing and quality management standards. Through its translation activities, continuing professional development programs, technical resources, and cooperation with relevant stakeholders, SCAAK has demonstrated ongoing best endeavors to support the adoption and implementation of IAASB standards within the scope of its authority. ***SCAAK is encouraged to continue working with the KCFR and IEKA to support timely approval and implementation of the latest IAASB pronouncements and to further reduce the time lag between international standards and their formal application in Kosovo.***
SMO 4	**Review & Improve**	As a licensed professional accountancy organization, the Society of Certified Accountants and Auditors of Kosovo (SCAAK) is required under Law No. 06/L–032 on Accounting, Financial Reporting and Auditing to adopt the International Code of Ethics for Professional Accountants, including International Independence Standards, issued by the International Ethics Standards Board for Accountants (IESBA) for application by its members. SCAAK has adopted the 2023 International Code of Ethics for Professional Accountants for application by its members. The Albanian translation of the 2023 Code is publicly available through SCAAK, and SCAAK indicates that translation and adoption of the 2024 Code is in progress. SCAAK supports implementation of the Code through updates to its initial professional development and continuing professional development programs, member communications, quality assurance reviews, and public outreach on the role

	Status	Notes
		of professional accountants in acting in the public interest. Compliance with the Code is reviewed as part of SCAAK's quality assurance activities, while the Kosovo Council for Financial Reporting retains responsibility for enforcement for statutory auditors. ***SCAAK has demonstrated ongoing processes to support implementation of ethical requirements within the scope of its authority. However, SCAAK is encouraged to complete adoption of the latest Code and continue supporting consistent implementation across its membership, including through training, monitoring, and engagement with the KCFR.***
SMO 5	■ **Sustain**	The Society of Certified Accountants and Auditors of Kosovo (SCAAK) has no direct responsibility for adopting public sector accounting standards in Kosovo. Cash-basis International Public Sector Accounting Standards (IPSAS) are applied in the jurisdiction, while transition to accrual-basis IPSAS remains a longer-term public sector reform objective. SCAAK continues to use its best endeavors to promote IPSAS implementation and public sector accounting capacity building. It incorporates IPSAS into its education and continuing professional development activities and maintains public sector certification pathways, including the Public Sector Certified Auditor program. SCAAK also continues to cooperate with public sector stakeholders and international partners, including through its public financial management certification activities and participation in World Bank Centre for Financial Reporting Reform initiatives supporting public sector accounting reform in the region. SCAAK has demonstrated sustained activity to support IPSAS implementation and public sector accountancy capacity within the scope of its authority.
SMO 6	■ **Sustain**	The Society of Certified Accountants and Auditors of Kosovo (SCAAK), as a licensed professional accountancy organization recognized by the Kosovo Council for Financial Reporting (KCFR), is responsible for the investigation and discipline (I&D) of its members under Law No. 06/L–032 on Accounting, Financial Reporting and Auditing. KCFR Administrative Instruction No. 01/2022 on Investigation and Discipline Procedures also establishes the KCFR Commission for Investigation and Discipline, which is responsible for investigating and disciplining licensed professional accountancy organizations, audit firms, and statutory auditors. SCAAK has established a Behavior and Discipline Committee, which is responsible for disciplinary matters involving members in cases of violations of legal requirements, the SCAAK Statute, and the fundamental principles of the Code of Professional Ethics. The SCAAK Statute provides for disciplinary proceedings, investigation of cases, sanctions, and appeal rights. SCAAK reports that it has revised its internal I&D regulations to align with KCFR Administrative Instruction No. 01/2022 and has self-assessed its system against the requirements of SMO 6. It also promotes awareness of ethical and disciplinary

	Status	Notes
		requirements through continuing professional development, roundtables, website communications, and introductory sessions for new students and members. SCAAK has demonstrated sustained activity to maintain and improve its I&D system within the scope of its authority. ***SCAAK is encouraged to continue supporting KCFR and other licensed professional accountancy organizations to promote consistent I&D arrangements across the jurisdiction.***
SMO 7	**Sustain**	The Society of Certified Accountants and Auditors of Kosovo (SCAAK) has no direct responsibility for adopting IFRS Accounting Standards in Kosovo. Under Law No. 06/L–032 on Accounting, Financial Reporting and Auditing, the Kosovo Council for Financial Reporting is responsible for approving accounting standards for application in the jurisdiction, while the Central Bank of the Republic of Kosovo requires banks and insurance companies to apply full IFRS Accounting Standards. The IFRS Foundation jurisdiction profile identifies the KCFR as the authority responsible for adopting accounting standards and SCAAK as an adviser to the KCFR. SCAAK continues to support implementation of IFRS Accounting Standards and the IFRS for Small and Medium-sized Entities Accounting Standard through education, continuing professional development, technical materials, and member communications. SCAAK has also supported the availability and implementation of Albanian translations of IFRS Accounting Standards and the IFRS for SMEs in cooperation with relevant stakeholders. The 2024 consolidated version of IFRS Accounting Standards and the 2015 IFRS for SMEs are applied in Kosovo. SCAAK has demonstrated sustained activity to support the adoption and implementation of IFRS-related requirements within the scope of its authority and maintains ongoing processes to support members.

Sources

Relevant Organizations

AAB Institute for Certified Accountants and Auditors (IAAB)
Central Bank of the Republic of Kosovo (CBK)
Institute for Accounting, Auditing and Finance (IKAF)
Institute of Authorized Chartered Auditors of Albania (IEKA)
Kosovo Council for Financial Reporting (KCFR)
Public Oversight Board (POB)
Society of Certified Accountants and Auditors of Kosovo (SCAAK)
World Bank Centre for Financial Reporting Reform (CFRR)

Relevant Legislation

Administrative Instruction No. 01/2014 on Criteria for Recognition of Professional Associations of Accountants and Auditors
Administrative Instruction No. 01/2022 on Investigation and Discipline Procedures
Law No. 03/L–209 on the Central Bank of the Republic of Kosovo
Law No. 06/L–032 on Accounting, Financial Reporting and Auditing

Relevant Publications

2023 International Code of Ethics for Professional Accountants (including International Independence Standards), Albanian Translation
2018 Handbook of International Quality Control, Auditing, Review, Other Assurance, and Related Services Pronouncements, Albanian Translation
IFRS Foundation Jurisdiction Profile – Kosovo
World Bank CFRR Publication – Kosovo's Journey to IPSAS and GFS

Quality Assurance (QA)	
Adopted	A QA review system, incorporating the requirements of SMO 1, has been established and is operational for all mandatory audits. Meeting all requirements of SMO 1 include adoption of relevant standards.
Partially Adopted	A QA review system, incorporating the requirements of SMO 1, has been established and is operational for some of the mandatory audits (e.g., public interest entities). *or* A QA review system for all mandatory audits has been established and is operational but does not fully incorporate the requirements of SMO 1. *or* A QA review system, incorporating the requirements of SMO 1, has been established, but is still in the process of being operationalized.
Not Adopted	No QA review system has been established or operational.
International Education Standards (IES)	
Adopted	The following are adopted for all aspiring and professional accountants and meet the requirements of the IES in their entirety in effect as of the time of the assessment: • Entry requirements (IES 1) • Education program with learning outcomes approaches (IES 2-4) • Practical experience (IES 5) • Assessments (IES 6) Continuing professional development requirements (IES 7-8)
Partially Adopted	The requirements that have been adopted for all aspiring and professional accountants are from an earlier version (2019) of IES. *or* The requirements that have been adopted meet the requirements of the IES in their entirety in effect as of the time of the assessment, but only for a segment of the profession. *or* Only some of the requirements have been adopted for all aspiring and professional accountants but do meet the requirements of the IES in effect as of the time of the assessment.
Not Adopted	National educational requirements that have been adopted do not demonstrably meet any of the IES requirements.
International Standards on Auditing (ISA)	
Adopted	ISA in their entirety in effect as of the time of the assessment are adopted and to be applied in all mandatory audits.

▲ **Partially Adopted**	Currently effective revisions to or new ISA are not yet adopted and effective in the application of mandatory audits. *or* An earlier version of ISA in its entirety (2018 or later) is adopted and effective in the application of mandatory audits. *or* ISA in its entirety (2018 or later) are required for application, but only in selected types of audits.
● **Not Adopted**	Pre-2018 version of ISA has been adopted. *or* National standards not converged with ISA have been adopted.
International Code of Ethics for Professional Accountants (including International Independence Standards)	
■ **Adopted**	The *International Code of Ethics for Professional Accountants (including International Independence Standards)* (the *Code*) in its entirety in effect as of the time of the assessment has been adopted for all professional accountants.
▲ **Partially Adopted**	An earlier (2018 or later) version of the *Code* in its entirety has been adopted for all professional accountants. *or* The 2018 or later version of the *Code* in its entirety has been adopted for a segment of the profession. *or* Not all the requirements of the *Code* in effect as of the time of the assessment have been adopted.
● **Not Adopted**	A pre-2018 version of the *Code* has been adopted. *or* National standards not converged with the *Code* have been adopted.
International Public Sector Accounting Standards (IPSAS)	
■ **Adopted**	Accrual-basis IPSAS with no modifications or accrual-basis IPSAS modified for local context have been adopted for application by all public sector entities.
▲ **Partially Adopted**	Accrual-basis national standards with reference to IPSAS OR accrual-basis national standards have been adopted. *or* Partial-accrual basis IPSAS modified for local context OR Partial-accrual IPSAS with no modifications OR Partial-accrual national standards with reference to IPSAS have been adopted. *or* Cash-basis IPSAS has been adopted.
● **Not Adopted**	IPSAS have not been adopted – either partial-accrual basis national standards OR cash-basis national standards are adopted.

*in alignment with the IFAC and CIPFA's International Public Sector Financial Accountability Index	
Investigative and Disciplinary (I&D) System	
■ **Adopted**	An I&D system, incorporating the requirements of SMO 6, has been established and is operational for all professional accountants.
▲ **Partially Adopted**	An I&D system, incorporating the requirements of SMO 6, has been adopted and is operational for some professional accountants. *or* An I&D system for all professional accountants has been established and is operational but does not fully incorporate the requirements of SMO 6. *or* An I&D system, incorporating the requirements of SMO 6, has been established, but is still in the process of being operationalized.
● **Not Adopted**	No I&D system has been established.
International Financial Reporting Standards (IFRS)	
■ **Adopted**	IFRS Accounting Standards in effect as of the time of the assessment are adopted and to be applied by all domestic publicly accountable entities (PAEs)** in consolidated general purpose financial statements.
▲ **Partially Adopted**	IFRS Accounting Standards in effect as of the time of the assessment are not yet adopted and effective for application by all (PAEs) in consolidated general purpose financial statements. *or* IFRS Accounting Standards in effect as of the time of the assessment are adopted for only a few or select types PAEs in consolidated general purpose financial statements.
● **Not Adopted**	National standards not converged with IFRS Accounting Standards (cannot assert compliance) have been adopted.
*in consultation with the IFRS Foundation ***publicly accountable entities* as defined by the IFRS Foundation include: entities whose debt or equity instruments are traded in a public market or it is in the process of issuing such instruments for trading in a public market (sometimes called listed companies or public companies) and entities that hold assets in a fiduciary capacity for a broad group of outsiders as one of its primary businesses (e.g., banks, insurance companies, credit unions, and similar).	

Current SMO Definitions

SMO Fulfillment Status	IFAC Staff Assessment
Sustain	PAO maintains well-established ongoing processes to fulfill its relevant obligations. In fulfilling this SMO, PAO considers, plans, executes, reviews and improves as part of an ongoing commitment to continuous improvement. *or* Given the nature of its mandate, membership composition, and the legal and regulatory environment, PAO is not involved in activities related to this area.
Review & Improve	PAO has recently fulfilled its relevant obligation and is reviewing the implemented plan to identify and apply improvements.
Execute	PAO demonstrates it is executing the plan.
Plan	PAO has a defined plan to fulfill the requirements of this SMO.
Consider	PAO is considering how to fulfill the requirements of this SMO.
Not Active	PAO is not active in this SMO area.

Appendix II—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			Every audit of financial statements, whether they are statutory or not, are subject to QA review. SCAAK conducts QA review for every Statutory Auditor member of SCAAK. Usually, two audits per Auditor are selected for QA review.
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			Statutory auditors and audit firms are required to apply International Standards of Quality Control 1 (ISQC 1) adopted by the KCFR in relation to audit and assurance services in Kosovo. *Law No. 06/ L-032 article 10, paragraph 7.*
3. Most up to date versions of ISQC 1 and other relevant ISA are adopted as the quality control standards.	Y			SCAAK timely informs its members via e-mail with the latest updates of ISAs and ISQC 1. ISQM1 and ISQM2 are translated and disseminated to SCAAK members.
4. Member Body assists firms in understanding the objectives of quality control and in implementing and maintaining appropriate systems of quality control.	Y			SCAAK organized a meeting and also CPDs with the Auditor to assist in understanding the objectives of ISQC 1 and implementing and maintaining appropriate systems of quality control.
Review Cycle 5. A cycle-based, risk-based, or a mixed approach for selecting firms for QA review is used.	Y			Selection of Statutory Auditors/ Audit Partners for QA review is a mix-based approach and every partner performing audits is considered in the selection process.
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).	Y			Every Statutory Auditor is subject to QA review within a three-year cycle. If after a QA review, findings indicated non-satisfactory compliance ISAs, the Statutory Auditor would be subject to a QA review semi-annually or annually.
7. QA Team possesses appropriate levels of expertise.	Y			The QA team possesses an appropriate level of expertise and continually participates in CPS (audit and financial reporting) to be updated.
Reporting 8. Documentation of evidence supporting the quality control review report is required.	Y			For every QA review, the QA team prepares working papers and documents the evidence that support findings of non-compliance. The findings are also reviewed and agreed upon by the auditors prior to the issuance of the final report.

Requirements	Y	N	Partially	Comments
9. A written report is issued upon conclusion of the QA review and provided to the firm/partner reviewed.	Y			After every QA review, the QA team prepares an assessment report with findings and recommendations for compliance with ISAs requirements. First, the Review Report is sent to the Auditor that was subject of QA review. If the Auditor agrees with the findings and has no further evidence to submit, the Report is sent to QMCSC for approval. After QMCSC has approved the Report, the Auditor is notified and can obtain the approved report.
Corrective and Disciplinary Actions 10. Reviewed firms/partners are required to make timely adjustments to meet recommendations from the review report.	Y			QMCSC prior to the approval of the Review Report gives recommendations on the frequency of QA reviews to ensure that recommendations from the review report are being implemented. If after a QA review, findings are indicated non-satisfactory in compliance with ISQC 1 and ISAs, the Statutory Auditor would be subject of QA review semi-annually or annually.
11. QA review system is linked to the Investigation and Discipline system.	Y			QMCSC works closely with Investigation and IDC. To this day, no case of QA was subject of Investigation and Discipline.
Consideration of Public Oversight 12. The body responsible for QA reviews cooperates with its oversight body and shares information on the functioning of the QA review system, as needed.	Y			Head of QMCSC and Head of Department work closely with Kosovo Council for Financial Reporting (KCFR) and Public Oversight Board in respect of QA.
Regular Review of Implementation and Effectiveness 13. Regular reviews of implementation and effectiveness of the system are performed.	Y			QMCSD in cooperation with QMCSC conducts an annual assessment of the QA system with requirements of SMO 1. This assessment includes: • Selection approach used for QA review; • Working papers used to document findings of QA review; • Appropriateness of Review Report issued; • CPD offers are in line with findings from QA review.

Appendix III—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.	X			SCAAK has an IDC which is working according to the SCAAK Statute and Regulation. These documents include investigation, disciplinary and appeal procedures.
2. Information about the types of misconduct which may bring about investigative actions is publicly available.	X			Types of misconduct are set in the Statute of SCAAK and are publicly available. A Member shall be liable to disciplinary action if: (i) in the course of carrying out his professional duties or otherwise is guilty of misconduct; (ii) in connection with his professional duties has performed his work, or conducted himself or conducted his practice erroneously, inadequately, inefficiently or incompetently; (iii) he has committed any breach of these Statutes, administrative directions, by-laws, or other regulations to which he undertook to be bound by; or (iv) he has been disciplined by another professional body or pursuant to some other disciplinary process;
Initiation of Proceedings 3. Both a “complaints-based” and an “information-based” approach are adopted.	X			Disciplinary proceeding in SCAAK can be initiated based on complain and information
4. Link with the results of QA reviews has been established.	X			Regulation on QMSC sets procedure of proceeding to the IDC cases of breaches of standards and noncompliance with the recommendation given during QA.
Investigative Process 5. A committee or similar body exists for performing investigations.	X			When the cases are brought to the IDC, the committee will appoint one member as reporting member
6. Members of a committee are independent of the subject of the investigation and other related parties.	X			Any conflict of interest between committee members and the subject of investigation is resolved before the initiation of the process.

Requirements	Y	N	Partially	Comments
				Reporting member will conduct the investigation process and submit the report to the IDC. Reporting member will be excluded from the voting process.
Disciplinary Process 7. A separate disciplinary committee/entity exists to make disciplinary decisions on referrals from the investigation committee.	X			IDC takes the decision based on the investigation report submitted by the Reporting member who will be in charge to perform the investigation. After the disciplinary decision is made, the case is sent to KCFR Investigation and IDC.
8. Members of the committee/entity include professional accountants as well as non-accountants.			X	Members of the Committee are professionals elected by the Assembly. SCAAK does not have non-accountants in this committee. As part of Committee is SCAAK Legal Officer.
9. The tribunal exhibits independence of the subject of the investigation and other related parties.	X			Exercising the disciplinary procedures and investigations is fully independent.
Sanctions 10. The disciplinary system allows imposing an extensive range of penalties. It is particularly important to include (a) loss of professional designation; (b) restriction and removal of practicing rights; and (c) exclusion from membership.	X			The IDC can issue the following measures as a single measure or in combination against a Member: • warning and/or • suspension and/or • expulsion
Rights of Representation and Appeal 11. A third appeals body exists which is separate from both the disciplinary committee and investigative committee.	X			SCAAK has an appeal panel which will be conducted from three members of SCAAK Board. This is set in SCAAK Statute and in Regulation of the Committee and is described as below: • An aggrieved party may file an appeal against the Decision of the IDC within 15 days of receipt of the Decision. • The Appeal should be addressed to the Chairman of the Board and upon receipt of an appeal the Chairman will establish an Appeal Panel composed of three members of the Board, including him and the vice-president. • Members of the IDC will not be eligible to sit on the Appeals Panel. • Composition of the Appeals Panel should be in compliance whit the Statute.

Requirements	Y	N	Partially	Comments
Administrative Processes 12. Timeframe targets for disposal of all cases are set.	X			In the Regulation of Disciplinary proceedings, the timeframe for disposal of cases is set. Maximum timeframe consists of 80 days from the complaint to the decision of the Appeals Panel.
13. Tracking mechanisms to monitor progress in investigation and discipline and related procedures are established.	X			SCAAK legal office is responsible for tracking the whole process of IDC in accordance with the established procedures.
14. Records of investigations and disciplinary processes are established.	X			Cases conducted by the Committee will be kept in the separate file, from initiation of proceeding to the decision of the committee.
Public Interest Considerations 15. Activities are supported to ensure that the public is aware that an investigative and disciplinary system exists in the jurisdiction.	X			Investigations and disciplinary system through SCAAK Regulations on Investigating and Disciplinary procedures are made public on SCAAK website were the members and public can be informed on procedures and measures which are to be applied in case of misconduct
16. A process for the independent review of complaints on which there was no follow-up established	X			Each complaint is reviewed and parties involved are informed for every step of disciplinary proceeding.
17. The results of the investigative and disciplinary proceedings are made available to the public.			X	Based on the regulation, SCAAK may decide to publish the decision.
Liaison with Outside Bodies 18. There is an appropriate process for liaison with outside bodies on possible involvement in serious crimes and offences.	X			SCAAK is in close cooperation with all related bodies regarding this issue (i.e. Financial Intelligence Unit, Commercial Crime Unit in Kosovo Police, Courts, state prosecutors).
Regular Review of Implementation and Effectiveness 19. Regular review of implementation and effectiveness of the system are performed and corrective actions are implemented.	X			According to the Statute of SCAAK, the Board reviews all regulations and procedures on an annual basis. The latest update in procedures and regulations are approved by the Board on September 2020.