

## **BACKGROUND NOTE ON ACTION PLANS**

Action Plans are developed by IFAC members and associates to address policy matters identified through their responses to the IFAC Compliance Self-Assessment Questionnaire. They form part of a continuous process within the IFAC Member Body Compliance Program to support the ongoing development and improvement of the accountancy profession around the world.

Action Plans are prepared by members and associates for their own use based on the national frameworks, priorities, processes and challenges specific to each jurisdiction. As such, they will vary in their objectives, content and level of detail, consistent with their differing national environments and stages of development, and will be subject to periodic review and update.

Refer to responses to the Part 1 Assessment of the Regulatory and Standard-Setting Framework Questionnaire and Part 2 SMO Self-Assessment Questionnaire provide background information on each member and associate their environment and existing processes. These responses may be viewed at: [http://www.ifac.org/ComplianceAssessment/published\\_surveys.php](http://www.ifac.org/ComplianceAssessment/published_surveys.php)

### **Use of Information**

Please refer to the Disclaimer published on the Compliance Program website.

## **ACTION PLAN**

<b>IFAC Member:</b>	Fiji Institute of Accountants (FIA)
<b>Original Publish Date:</b>	November 2010
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## **GLOSSARY**

<b>CA</b>	Chartered Accountant
<b>CPA</b>	Certified Public Accountant
<b>CPE</b>	Continuing Professional Education
<b>ED</b>	Executive Director
<b>FIA</b>	Fiji Institute of Accountants
<b>IAASB</b>	International Auditing and Assurance Standards Board
<b>IAESB</b>	International Accounting Education Standards Board
<b>IASB</b>	International Accounting Standards Board
<b>IESBA</b>	International Ethics Standards Board for Accountants
<b>IES</b>	International Education Standards
<b>IFAC</b>	International Federation of Accountants
<b>IFRS</b>	International Financial Reporting Standards
<b>IMF</b>	International Monetary Fund
<b>IPSAF</b>	Institute of Public Sector Accountants of Fiji
<b>IPSAS</b>	International Public Sector Accounting Standards
<b>ISA</b>	International Standards on Auditing
<b>ISQC 1</b>	International Standards on Quality Control
<b>NZICA</b>	New Zealand Institute of Chartered Accountants
<b>QA</b>	Quality Assurance
<b>SME</b>	Small and Medium Enterprises
<b>SMO</b>	Statements of Membership Obligations

**Action Plan Subject:** SMO 1 - Quality Assurance (QA)  
**Action Plan Objective:** Review and Further Development of Quality Assurance Procedures to Ensure that Chartered Accountants (CAs) Offering Accounting Services Maintain the Highest Professional Standards

#	Start Date	Actions	Completion Date	Responsibility	Resource
<p><i>Background:</i></p> <p>The Fiji Institute of Accountants (FIA) has an independent Surveillance Panel responsible for the quality review of audits of public interest entities (including all listed companies) and indirectly of the members undertaking those audits. Selection of review audits is at the discretion of the Panel, none of whom are members of the Big Four firms (who undertake listed company audits). Each of the Big four Firms is subjected to its own international quality performance review system/procedures.</p> <p>There is a requirement for independent review of audit practitioners and FIA proposes to develop further its Quality Assurance Programme through engagement of external reviewers who will most likely be retired practitioners.</p> <p>Since January 2011, FIA has adopted ISQC1 and the full suite of clarified auditing standards developed by the International Auditing and Assurance Standards Board.</p>					
<p><i>Further Develop and Implement Quality Assurance Review System</i></p>					
1.	January 2010	Seek the services of a retired member to undertake a triennial review of audit firms in Fiji which do not have their own internal international quality performance review systems/procedures with an objective of ensuring that such firms comply with the provisions of International Standards on Quality Control (ISQC 1) and ISA 220.	December 2012	Executive Director (ED) and Council	FIA Council and Chair of Standards Committee
2.	January 2011	Publicise the scope and purpose of the quality assurance system and review programme among audit firms and encourage comments and compliance at least from firms auditing public interest entities.	December 2012	Executive Director	Chair of the Standards Committee

<b>#</b>	<b>Start Date</b>	<b>Actions</b>	<b>Completion Date</b>	<b>Responsibility</b>	<b>Resource</b>
3.	January 2010	Encourage the FIA Surveillance Panel to publish an annual report of its activities, highlighting areas of concern.	July 2012	Executive Director	Surveillance Panel and Standards Committee
<i>Maintaining Ongoing Processes</i>					
4.	July 2008	Undertake periodic review to discover any changes that may have been made to the ISQCs with a view to making information available to audit practitioners.	Ongoing	Standards Committee and Executive Director	Surveillance Panel and Standards Committee
5.	January 2009	Conduct a workshop for practitioners engaged in the audit of all public interest entities to ensure that they are familiar with current requirements and distribute copies of ISQC 1 and ISA 220 to those practitioners.	Ongoing	Standards Committee	Surveillance Panel and Standards Committee
<i>Review of FIA's Compliance Information</i>					
6.		Perform periodic review of FIA's response to the IFAC Compliance Self Assessment questionnaires and update any sections relevant to SMO 1 as necessary, informing IFAC compliance staff, in order for them to publish the updated information.	Ongoing	FIA Council and Executive Director	FIA Council and Chair of Standards Committee

**Action Plan Subject:** SMO 2 - International Education Standards (IESs) for Professional Accountants and Other International Accounting Education Standards Board (IAESB) Guidance

**Action Plan Objective:** Continue to Use Best Endeavours to Ensure that FIA Educational Requirements and Training Comply with IES Requirements

#	Start Date	Actions	Completion Date	Responsibility	Resource
<p><i>Background:</i></p> <p>Detailed information about FIA’s professional education requirements, Continuing Professional Education (CPE) requirements and other training can be found on its website <a href="http://www.fia.org.fj">www.fia.org.fj</a>. Applications for admission as chartered accountants or provisional members/associate accountants must demonstrate that they have completed a full three-year Bachelor’s degree including 20 specified units. Applicants for full chartered accountant membership must also complete at least 3 years of practical experience of which at least 2 years have to be gained under supervision of a qualified mentor who is a chartered accountant with at least 4 years practical experience after being admitted as a chartered accountant. Mentored practical experience will need to demonstrate experience gained in at least 3 out of 6 areas, with in-depth experience of at least one.</p> <p>Those members wishing to advance to full chartered accountant status must also provide evidence of successful completion of the compulsory segments of the <u>Certified Public Accountant</u> (CPA) Australia’s CPA Programme or alternatively 4 units of the accredited units of the Post Graduate Diploma in Professional Accounting offered by the University of the South Pacific, two of which are compulsory units.</p> <p>FIA has, since 2003, engaged the services of independent professional academics to review the quality of tertiary education being provided by those educational institutions from which the Institute principally draws its members. The latest review was conducted in 2011.</p> <p>The FIA does not currently propose to introduce a final assessment before admission to full chartered accountant membership as recommended in IES 6. Recognising that IES 8 Competence Requirements for Audit Professionals is still under review, the Institute will examine the Exposure Draft of the revised version of that standard when that is published with a view to its possible adoption.</p> <p>The minimum CPE hours requirements for members was first introduced from 1<sup>st</sup> January 2000 at 20 hours annually or 60 over a three year period with 10 hours of structured (interactive) and 10 hours of unstructured CPE annually. This initial minimum triennial minimum hours requirement was increased from 1<sup>st</sup> January 2004 from 60 to 90 hours and was further increased from 90 to 120 hours, of which 90 is required to be structured, with effect from 1<sup>st</sup> January 2009 in line with IES 7. FIA actively encourages its members to</p>					

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<p>complete the minimum CPE hours requirement through various incentives and making programmes interesting and attractive rather than through sanctions, recognizing that the attendance at professional development activities is largely dependent upon the goodwill and generosity of their employers. FIA also organizes its programme of activities to include information on concepts, practices and current developments in a variety of the other professions including aviation, agriculture, banking, economics, tourism and the law, and encourages its members to attend other relevant activities organised by other Institutions.</p> <p>During the past 10 years, the Professional Development programmes organised by the Institute have consistently provided members an opportunity to complete at least 30 and, in the last 5 years an average of 40 structured hours annually.</p>					
<i>Further Development of Education Standards</i>					
7.	January 2003	Engage with the University of the South Pacific, the University of Fiji and the Fiji National University to ensure that the academic studies programmes offered at those institutions are consistent with the International Education Standards published by the IAESB.	Ongoing	Executive Director, FIA Education Committee and universities	FIA Council, responsible members of the Education Committee and Heads of Schools of universities.
8.	January 2008	Develop a post graduate programme for those seeking full chartered accountant membership in conjunction with CPA Australia and the University of the South Pacific.	Ongoing	Executive Director, FIA Education Committee and universities	FIA Council, responsible members of the Education Committee and Heads of Schools of universities
<i>Maintaining Ongoing Processes</i>					
9.	January 1972	Ensure that the education standards required for admission are consistent with IESs and reflect the needs of employers in Fiji for qualified accountants under a triennial review.	Ongoing	Membership Committee	FIA Council and Chair of the Membership Committee

#	Start Date	Actions	Completion Date	Responsibility	Resource
10.	July 2000	Continue to provide an annual professional development programme offering at least the minimum of 30 structured CPE hours for FIA members and preferably at least 50% more than that amount.	Ongoing	Membership Committee	FIA Council and Chair of the Membership Committee
11.	January 2002	Continue to undertake a triennial evaluation of the courses, staffing and facilities provided by the three Fiji universities and other tertiary institutions using the services of independent senior overseas professional academics.	Ongoing	Membership Committee	FIA Council and Chair of the Membership Committee
<i>Review of FIA's Compliance Information</i>					
12.		Perform periodic review of FIA's response to the IFAC Compliance Self Assessment questionnaires and update any sections relevant to SMO 2 as necessary, informing IFAC compliance staff, in order for them to publish the updated information.	Ongoing	Membership Committee	FIA Council and Chair of Membership Committee.

**Action Plan Subject:** SMO 3 - International Standards, Related Practice Statements and Other Papers Issued by the International Auditing and Assurance Standards Board (IAASB)

**Action Plan Objective:** Continue to Adopt New or Amended International Standards

#	Start Date	Actions	Completion Date	Responsibility	Resource
<p><i>Background:</i></p> <p>Accounting and Auditing Standards in Fiji are prescribed by the FIA. The information on Accounting Standards is shown under SMO 7.</p> <p>The FIA’s Accounting and Auditing Standards Committee completed a review of IFAC’s International Standards on Auditing in October 2001 and produced a set of Fiji Standards on Auditing comprising 37 Fiji Standards on Auditing (all of which were based on and in most cases identical to the International Standards on Auditing) and also 9 Fiji Auditing Guidance Statements (based on and in most cases identical to the International Auditing Practice Statements).</p> <p>In line with FIA’s obligations as a member body of IFAC and in light of the development of a plethora of additional International Standards related to auditing, the FIA adopted the full suite of audit related standards issued by IAASB for accounting periods commencing on or after 1<sup>st</sup> July 2008.</p> <p>The Institute reviewed the finalized set of clarified standards issued in February 2009 and has adopted the clarified standards with effect from 1<sup>st</sup> January 2011.</p>					
<p><i>Future Development of Audit –Related Standards</i></p>					
13.	January 1999	Conduct an annual review of IAASB Standards and Pronouncements, including the Clarified Standards through the FIA’s Accounting and Auditing Standards Committee in order to ensure that information on any changes or new standards is disseminated to audit practitioners.	Ongoing	Standards Committee	FIA Council and Chair of Standards Committee

#	Start Date	Actions	Completion Date	Responsibility	Resource
<i>Maintaining Ongoing Processes</i>					
14.	January 1999	Continue to support adoption and implementation of IAASB pronouncements.	Ongoing	Standards Committee	FIA Council and Chair of Standards Committee.
15.	January 2006	Issue Fiji Interpretation and Guidance Standards on relevant standards.	Ongoing	Standards Committee	FIA Council and Chair of Standards Committee
16.		Publish articles in the Institute's Journal providing information on any new or amended standards.	Ongoing	Chair of Standards Committee	Standards Committee
<i>Review of FIA's Compliance Information</i>					
17.		Perform periodic review of FIA's response to the IFAC Compliance Self Assessment questionnaires and update any sections relevant to SMO 3 as necessary, informing IFAC compliance staff, in order for them to publish the updated information.	Ongoing	Executive Director and Chair of the Standards Committee	FIA Council and Chair of Standards Committee

**Action Plan Subject:** SMO 4 - International Ethics Standards Board for Accountants (IESBA) Code of Ethics for Professional Accountants  
**Action Plan Objective:** Continuous Review of International Ethics Standards

#	Start Date	Actions	Completion Date	Responsibility	Resource
<p><i>Background:</i></p> <p>The previous Fiji Code of Ethics, which superseded the Fiji Ethical Rulings, was published and introduced in July 2000. It was based largely on the provisions of the then current IESBA Code of Ethics.</p> <p>Following the introduction of IESBA’s revised Code of Ethics in June 2005, and in line with its obligations as a member body of IFAC, the Council of the FIA adopted the 2005 edition of the International Code of Ethics for Professional Accountants with effect from 1<sup>st</sup> July 2008.</p> <p>The 2005 edition of the IESBA’s International Code of Ethics which had been adopted by FIA is complemented by a Supplementary Fiji Code incorporating provisions which are not included in the IESBA’s Code, covering:</p> <ul style="list-style-type: none"> <li>• Fundamental Rules of the FIA with guidance on use of a member’s name, firm names, members in outside employment and sharing of profits and commissions;</li> <li>• Professional Conduct with guidance on professional competence, tax practice, advertising, stationery and nameplates, newspaper announcements, offices and legal work;</li> <li>• Client Monies and trust accounts with guidance on establishment of trust accounts and audit of trust accounts; and</li> <li>• Use of incorporated companies.</li> </ul> <p>The FIA is aware of the latest revision of the Code of Ethics for Professional Accountants issued by the IESBA in 2010 which was due for adoption in 2011. A review of this latest version has been completed and it will be adopted on January 1<sup>st</sup> 2012.</p>					

#	Start Date	Actions	Completion Date	Responsibility	Resource
<i>Further Development of Ethical Standards</i>					
18.	January 2012	Adopt the new FIA Code of Ethics (based on the 2010 IESBA Code of Ethics) and publicize its provisions among the FIA membership.	Ongoing	Chairs of professional Development and Act and Rules Committee	Act and Rules and Professional Development Committee
19.	August 2010	Undertake a detailed review of the latest revised Code of Ethics published by the IESBA by the Institute's Act and Rules Committee with a view to recommending its adoption by the FIA.	December 2011	Chair of Act and Rules Committee and Executive Director	FIA Council and Chair of Act and Rules Committee.
20.	January 2011	Schedule a professional development seminar to explain the provisions of the revised Code of Ethics and publish a summarised article in the FIA's Journal and website.	December 2011	Chairs of professional Development and Act and Rules Committee	Act and Rules and Professional Development Committee
21.	August 2010	Review the FIA Supplementary Code of Ethics in the light of any changes to the FIA Act or Rules.	Ongoing	Act and Rules Committee	Chair of Act and Rules Committee and Executive Director
<i>Maintain Ongoing Processes</i>					
22.		Continue to support adoption and implementation of pronouncements made by the IESBA and schedule a professional development seminar at least once every second year on professional ethics.	Ongoing	Act and Rules Committee	Professional Development and Act and Rules Committee
23.		Regularly review the FIA Supplementary Code of Ethics.	Ongoing	Act and Rules Committee	Act and Rules Committee

#	Start Date	Actions	Completion Date	Responsibility	Resource
<i>Review of FIA's Compliance Information</i>					
24.		Perform periodic review of FIA's response to the IFAC Compliance Self Assessment questionnaires and update any sections relevant to SMO 4 as necessary, informing IFAC compliance staff, in order for them to publish the updated information.	Ongoing	Act and Rules Committee	FIA Council and Act and Rules Committee.

**Action Plan Subject:** SMO 5 - International Public Sector Accounting Standards (IPSAS) and other IPSAB Guidance  
**Action Plan Objective:** Encourage the Adoption of International Public Sector Accounting Standards

#	Start Date	Actions	Completion Date	Responsibility	Resource
<i>Background:</i>					
<p>FIA will continue to pursue the goal of introducing Institute of Public Sector Accountants of Fiji (IPSAS) standards where possible, but it is constrained by the fact that the accounting procedure for many smaller public sector bodies, and for the Fiji government itself, is a cash based accounting system. Most major Public Sector entities are now required to comply with full International Financial Reporting Standards (IFRS) standards since January 2007. The Fiji government is currently considering a report prepared by a consultant who was engaged by the International Monetary Fund (IMF), which advocates an initial transition to the International Public Sector Accounting Standard on Financial Reporting under the Cash Basis of Accounting.</p>					
<i>Further Developments of IPSAS Standards</i>					
25.	December 2009	Encourage public sector institutions, and in particular the Fiji government, which is currently using a cash-based accounting system to adopt at least the current IPSAS standard on Financial Reporting under the Cash Basis of Accounting and preferably the accrual system, recognising that government is currently studying such a proposal prepared in conjunction with the IMF.	Uncertain	Chair of Standards Committee	FIA Council and Chair of Standards Committee
26.	January 2011	Initiate dialogue with the Institute of Public Sector Accountants with a view to creating awareness of and promoting the adoption of IPSAS Standards.	Uncertain	FIA Council and Chair of Standards Committee	FIA Council and Chair of Standards Committee
<i>Maintain Ongoing Processes</i>					
27.	January 2011	Support the Work of the Auditor General in reviewing the effectiveness of current public sector accounting and encourage adoption of IPSAS Standards.	Uncertain	FIA Council and Chair of Standards Committee	FIA Council and Chair of Standards Committee

#	Start Date	Actions	Completion Date	Responsibility	Resource
<i>Review of FIA's Compliance Information</i>					
28.		Perform periodic review of FIA's response to the IFAC Compliance Self Assessment questionnaires and update any sections relevant to SMO 5 as necessary, informing IFAC compliance staff, in order for them to publish the updated information.	Ongoing	Chair of Standards Committee	FIA Council and Chair of Standards Committee.

**Action Plan Subject:** SMO 6 - Investigation and Discipline  
**Action Plan Objective:** Introduction of Amended Disciplinary Procedures into the FIA Act

#	Start Date	Actions	Completion Date	Responsibility	Resource
<i>Background:</i>					
<p>The Investigation and Disciplinary Committees of the FIA are established by the FIA Act (Cap 259). The Act requires that the members of the two committees are to be appointed from among FIA members, of whom three are required to be appointed from the Council and two from those who are not Council members. The powers of the Committees are set out in the Act. A set of draft amendments to the FIA Act (including changes to disciplinary procedures and the membership of disciplinary committees) was considered and endorsed by the FIA membership at a special General Meeting held on 27<sup>th</sup> April 2006 and this was submitted to the Fiji Cabinet in June of that year and endorsed, in November of the same year, for presentation to Parliament at the following February sitting. Parliament has not met since. The amendments included provision for the inclusion of members from other professions in the disciplinary committees.</p>					
<i>Further Developments of the Investigation and Disciplinary System</i>					
29.	April 2006	Continue to conduct dialogue with the Fiji government on FIA's proposed amendments to the FIA Act and Rules, particularly as those amendments concern changes to the current disciplinary system and possible inclusion of persons from other professions in disciplinary panels.	Uncertain	FIA Council and Executive Director	FIA Council, Act and Rules Committee and Executive Director
<i>Maintaining Ongoing Processes</i>					
30.	January 2004	Continuously review the effectiveness and transparency of the disciplinary procedures and the level of disciplinary penalties.	Ongoing	FIA Council and Executive Director	FIA Council and Chair of Disciplinary Committee
31.	September 2010	Following Government finalization, make the public aware of the complaints procedure.	Uncertain	FIA Council and Executive Director	FIA Council and Executive Director

#	Start Date	Actions	Completion Date	Responsibility	Resource
<i>Review of FIA's Compliance Information</i>					
32.		Perform periodic review of FIA's response to the IFAC Compliance Self Assessment questionnaires and update any sections relevant to SMO 6 as necessary, informing IFAC compliance staff, in order for them to publish the updated information.	Ongoing	FIA Council and Executive Director	FIA Council and Executive Director

**Action Plan Subject:** SMO 7 - International Financial Reporting Standards (IFRSs)  
**Action Plan Objective:** Continue to Adopt New or Amended International Standards

#	Start Date	Actions	Completion Date	Responsibility	Resource
<p><i>Background:</i></p> <p>The FIA’s Accounting and Auditing Standards Committee completed a review of International Accounting Standards Board (IASB’s) current International Accounting Standards in 2000 and produced a set of Fiji Accounting Standards comprising a Framework and 34 Fiji Accounting Standards (all of which were based on and in most cases identical to then current International Accounting Standards) which were introduced for accounting periods commencing 1<sup>st</sup> January 2001.</p> <p>In line with FIA’s obligations as a member body of IFAC and in light of the development of substantial amendments to the International Accounting Standards and the addition of a number of additional standards, including International Financial Reporting Standards (IFRSs), FIA adopted the full suite of International Financial Reporting Standards issued by IASB for accounting periods commencing on or after 1<sup>st</sup> January 2007 for all listed and other publicly accountable accounting entities, while retaining for the time being, the Fiji Accounting Standards for Small and Medium Enterprises (SMEs). FIA has already adopted IFRS for SMEs with effect from 1<sup>st</sup> January 2011 and has held workshops in 2010 and 2011 on the SME Standards, as a follow-up to a presentation made in March 2010, providing an Overview on the IFRS Standards for SMEs as well as the half day workshop for representatives from audit firms held in April 2010. The Institute has also identified a trainer who will be responsible for identifying and training a number of other additional trainers.</p> <p>The accounting entities that fall within the following categories are currently required to adopt the full IFRS Standards:</p> <ul style="list-style-type: none"> <li>• Public companies as defined in the Companies Act;</li> <li>• Government majority owned companies;</li> <li>• Banking and financial institutions;</li> <li>• Superannuation, insurance and insurance broking entities;</li> <li>• Government entities established under their own statute;</li> <li>• Entities with annual group turnover of at least F\$20m (US\$13m) or with assets exceeding F\$20m;</li> <li>• Entities that are publicly accountable (which have debt or equity instruments on public issue or have coercive power to tax, rate or levy to obtain public funds); and</li> </ul> <p>Entities where any of the above listed entities have significant influence (through more than 20 per cent ownership), as equity accounting would be applicable for the parent company reporting.</p>					

#	Start Date	Actions	Completion Date	Responsibility	Resource
<i>Further Development of Financial Reporting Standards</i>					
33.	August 2010	Notify the public that, from the beginning of 2011, the old Fiji Accounting Standards will be withdrawn and replaced by the IFRS for SME Standards.	July 2012	Standards Committee and Executive Director	FIA Council and Chair of Standards Committee
34.	January 2010	Monitor the progress of the proposed new Companies Decree to ensure that requirements for compliance with accounting standards under the Decree are consistent with International Financial Reporting Standards.	Uncertain	Chair of Standards and Business and Government Committee	FIA Council and Standard Committee
<i>Maintaining Ongoing Processes</i>					
35.		Continuous review of the IFRS Standards to ensure that any amendments and additions are communicated to FIA members through the Institute Journal and Website.	Ongoing	Standards Committee	FIA Council and Chair of Standards Committee
36.		Support the work of the current Surveillance Panel in ensuring that Financial Statements are prepared and presented in accordance with IFRS Standards.	Ongoing	Standards Committee	FIA Council and Chair of Standards Committee
<i>Review of FIA's Compliance Information</i>					
37.		Perform periodic review of FIA's response to the IFAC Compliance Self Assessment questionnaires and update any sections relevant to SMO 7 as necessary, informing IFAC compliance staff, in order for them to publish the updated information.	Ongoing	Standards Committee	FIA Council and Chair of Standards Committee