

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 Questionnaires. 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 for 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

Use of Information

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

ACTION PLAN

IFAC Member/Associate:	The Malaysian Institute of Certified Public Accountants (MICPA)
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GLOSSARY

AATC	Accounting and Auditing Technical Committee
AASB	Audit and Assurance Standards Board
AG	Auditor General
AOB	Audit Oversight Board
CPD	Continuing Professional Development
FRS	Financial Reporting Standards
FRSIC	Financial Reporting Standards Implementation Committee
GAC	Government Affairs Committee
IAASB	International Auditing and Assurance Standards Board
IAESB	International Accounting Education Standards Board
IASB	International Accounting Standards Board
ICAA	The Institute of Chartered Accountants in Australia
IESBA	International Ethics Standards Board for Accountants
IES	International Education Standards
IFAC	International Federation of Accountants
IPSAS	International Public Sector Accounting Standards
IPSASB	International Public Sector Accounting Standards Board
ISA	International Standards on Auditing
ISQC 1	International Standard on Quality Control 1
MASB	Malaysian Accounting Standards Board
MIA	Malaysian Institute of Accountants
MICPA	The Malaysian Institute of Certified Public Accountants
QA	Quality Assurance

Action Plan Subject: SMO 1 - Quality Assurance (QA)

Action Plan Objective: Continue to Use Best Endeavors to Promote the Importance of a Quality Assurance Review System, which Incorporates the Requirements of SMO 1, Quality Assurance

#	Start Date	Actions	Completion Date	Responsibility	Resource
<p><i>Background:</i></p> <p>The Malaysian Institute of Certified Public Accountants (MICPA) quality assurance system is operated by the Financial Statements Review Committee of MICPA, which is tasked with the review of published financial statements audited by MICPA members to ensure compliance with standards. MICPA has also published an Audit Guide for Practitioners to assist members in carrying out audits of financial statements in compliance with approved auditing standards, thereby maintaining quality control in audit work. In addition, all members are also required to comply with International Standard on Quality Control 1 (ISQC 1) with effect from July 1, 2006 and all firms of auditors are subject to the Practice Review Programme conducted by the Malaysian Institute of Accountants (MIA). For more information about the Practice Review Programme, please refer to the MIA Action Plan.</p> <p>On April 1, 2010, the Audit Oversight Board (AOB) was established under the auspices of the Securities Commission with the objective to overseeing the auditors of public interest entities and to protect the interest of investors by promoting confidence in the quality and reliability of the audited financial statements of public interest entities. AOB with work together with other regulatory agencies to ensure a holistic regulatory framework for auditors in Malaysia is in place, which will promote the growth of the Malaysian auditing profession with good governance. Please visit the AOB's website at www.sc.com.my for more information on the Audit Oversight Board.</p>					
<p><i>Maintaining Ongoing Processes</i></p>					
1.	Ongoing	Continue to monitor the quality of audit work performed by members by carrying out a programme of review of published financial statements audited by members.	Ongoing	FSRC & Head of Technical Department	MICPA Staff

#	Start Date	Actions	Completion Date	Responsibility	Resource
2.	June 2010	Continuous engagement with the AOB to monitor and enhance the quality of the audit work of members.	Ongoing	Executive Committee & Executive Director	Council Members and MICPA Staff
<i>Education & Training</i>					
3.	Ongoing	Organise training courses to enhance members' knowledge of the newly issued/revised/redrafted International Auditing and Assurance Standards Board (IAASB) Standards and ISQC 1.	Ongoing	Head of Education & Training and Head of Technical Department	MICPA Staff
4.	September 2010	Update of the Institute's publication, <i>Audit Guide for Practitioners</i> , to incorporate all the newly issued/revised/redrafted International Standards on Auditing (ISA) and ISQC 1 published by the IAASB of the IFAC under the Clarity Project.	April 2011	Head of Technical Department	MICPA Staff
<i>Review of MICPA's Compliance Information</i>					
5.	Ongoing	MICPA will review regularly the IFAC's self-assessment questionnaires and update the SMO 1 when necessary.	Ongoing	Head of Technical Department	MICPA Staff

Action Plan Subject: SMO 2 - International Education Standards (IESs)
Action Plan Objective: Continue to Monitor Work Programme of International Accounting Education Standards Board to Ensure all IES Requirements are Implemented in the MICPA's Professional Accountancy Education Programme

#	Start Date	Actions	Completion Date	Responsibility	Resource
<p><i>Background:</i></p> <p>MICPA has developed a professional accountancy education programme that addresses the requirements set out in the International Education Standards. Candidates for MICPA membership are required to complete the professional accountancy education programme and satisfy the practical experience requirements.</p> <p>Members are required to submit an annual declaration of Continuing Professional Development (CPD) requirements to MICPA at the time of their annual membership renewal. An annual audit of members' compliance with the CPD requirements will be conducted by MICPA on a random sample of members.</p> <p>Members selected will be required to submit to MICPA their CPD records for each CPD year of the rolling three-year period, together with all relevant documentary evidence, to support attendance or completion of the CPD activities stated in their CPD records.</p> <p>Please visit the MICPA's website at www.micpa.com.my on the professional accountancy education programme.</p> <p>MICPA's professional accountancy education programme was revised in July 2009. Under the revised programme, MICPA will adopt the examination papers of The Institute of Chartered Accountants in Australia with the exception of Taxation which is still assessed by the MICPA. Substantially, the admission requirements of membership remained unchanged except that candidates who complete the revised programme would be eligible for membership of MICPA and The Institute of Chartered Accountants in Australia (ICAA).</p>					
<p><i>Continuing Professional Development</i></p>					

#	Start Date	Actions	Completion Date	Responsibility	Resource
6.	January 2007	MICPA has issued a Statement on Continuing Professional Development in January 2007 for members' compliance. The requirements of the Statement are effective for CPD reporting periods beginning on or after January 1, 2007. Hence, the first rolling three-year period for which the requirements of the Statement are applicable runs from January 1, 2007 to December 31, 2009.	Ongoing	Head of Education and Training Department	MICPA Staff
<i>Maintaining Ongoing Processes</i>					
7.	Ongoing	Maintain an Ongoing process to ensure that members are informed of all relevant International Accounting Education Standards Board (IAESB) standards.	Ongoing	Head of Education and Training Department	MICPA Staff
8.	Ongoing	Maintain an Ongoing process to ensure that new and revised standards on auditing, financial reporting and ethics are incorporated into the MICPA's professional accountancy education programme.	Ongoing	Head of Education and Training Department	MICPA Staff
9.	Ongoing	Maintain an Ongoing process to ensure that the MICPA's professional accountancy education programme is in full compliance with all the IAESB's standards.	Ongoing	Head of Education and Training Department	MICPA Staff
<i>Review of MICPA's Compliance Information</i>					

#	Start Date	Actions	Completion Date	Responsibility	Resource
10.	Ongoing	MICPA will review regularly the IFAC's self-assessment questionnaires and update the SMO 2 when necessary.	Ongoing	Executive Director	MICPA Staff

Action Plan Subject: SMO 3 - International Auditing and Assurance Standards Board (IAASB) Pronouncements
Action Plan Objective: Continue to Use Best Endeavors to Support Ongoing Convergence with IAASB Pronouncements in Malaysia

#	Start Date	Actions	Completion Date	Responsibility	Resource
<p><i>Background:</i></p> <p>The Audit and Assurance Standards Board (AASB) is a functionally independent standard-setting body designated by, and operating under the auspices of the Malaysian Institute of Accountants (MIA). Standards and technical pronouncement issued by the IAASB are reviewed by the AASB through its rigorous process on standard-setting. Information about AASB and its activities is published on the MIA website (www.mia.org.my).</p> <p>MICPA plays an instrumental role in this standard-setting process through representation on the AASB and support of ongoing implementation of the standards issued.</p> <p>The MICPA being a member of IFAC has also adopted all the International Standards of Auditing issued by the IAASB.</p>					
<i>Maintaining Ongoing Convergence with IAASB's Standards</i>					
11.	Ongoing	Update of Members Handbook for adoption of new/revised/redrafted IAASB's standards.	Ongoing	Head of Technical Department	MICPA Staff
12.	Ongoing	Review of IAASB agenda materials, exposure drafts and make submission where necessary.	Ongoing	Head of Technical Department	MICPA Staff
<i>Education & Training</i>					

#	Start Date	Actions	Completion Date	Responsibility	Resource
13.	Ongoing	Organise training courses to enhance members' knowledge of newly issued/revised/redrafted IAASB Standards.	Ongoing	Head of Education & Training and Head of Technical Department	MICPA Staff
<i>Technical Support</i>					
14.	Ongoing	Development of guidance such as Auditing Technical Releases and Circulars.	Ongoing	Accounting and Auditing Technical Committee (AATC) & Head of Technical Department	MICPA Staff
15.	August 2008	Update of Audit Guide for Practitioners.	August 2009	Head of Technical Department	MICPA Staff
16.	September 2010	Update of the Institute's publication, <i>Audit Guide for Practitioners</i> , to incorporate all the newly issued/revised/redrafted International Standards on Auditing (ISA) and ISQC 1 published by the IAASB of the IFAC under the Clarity Project.	April 2011	Head of Technical Department	MICPA Staff
<i>Review of MICPA's Compliance Information</i>					
17.	Ongoing	MICPA will review regularly the IFAC's self-assessment questionnaires and update the SMO 3 when necessary.	Ongoing	Head of Technical Department	MICPA Staff

Action Plan Subject: SMO 4 - International Ethics Standards Board for Accountants (IESBA) Code of Ethics
Action Plan Objective: To Raise Awareness about the Code of Ethics and Educate Members on its Requirements

#	Start Date	Actions	Completion Date	Responsibility	Resource
<i>Background:</i>					
MICPA first adopted the IESBA Code of Ethics in November, 2007. Parts A, B and C of MICPA's Code of Ethics are identical to the IESBA Code of Ethics. MICPA has included a Part D in the MICPA Code of Ethics which outlines additional ethical requirements and provides guidance on specific matters relevant to members in public practice.					
A committee has been put in place to review the 2010 IESBA Code of Ethics with adoption planned for early 2012.					
<i>Introduction of the New MICPA Code of Ethics, Based on the 2010 IESBA Code of Ethics</i>					
18.	Q4 2011	Review of latest version of IESBA Code of Ethics.	Q4 2011	Head of Technical Department	MICPA Staff
19.	Q1 2012	Adoption of 2010 version of IESBA Code of Ethics as the new MICPA Code of Ethics.	Q1 2012	Head of Technical Department	MICPA Staff
<i>Raise Awareness of the MICPA's Code of Ethics</i>					
20.	November 2007	Update members on the MICPA's Code of Ethics.	November 2007	Head of Technical Department	MICPA Staff
21.	November 2007	Upload of MICPA's Code of Ethics in the MICPA's website.	November 2007	Head of Technical Department	MICPA Staff

#	Start Date	Actions	Completion Date	Responsibility	Resource
22.	Ongoing	Organise training to enhance members' knowledge on ethical requirements as well as inform members on current and topical issues on ethics.	Ongoing	Head of Education & Training and Head of Technical Department	MICPA Staff
<i>Maintaining Ongoing Processes</i>					
23.	Ongoing	Review of IESBA agenda materials and exposure drafts and make submission where applicable.	Ongoing	Head of Technical Department	MICPA Staff
24.	Ongoing	Update members' Handbook for adoption of newly issued/revised Code of Ethics by the IFAC.	Ongoing	Head of Technical Department	MICPA Staff
<i>Review of MICPA's Compliance Information</i>					
25.	Ongoing	MICPA will review regularly the IFAC's self-assessment questionnaires and update the SMO 4 when necessary.	Ongoing	Head of Technical Department	MICPA Staff

Action Plan Subject: SMO 5 - International Public Sector Accounting Standards (IPSAS)
Action Plan Objective: Continue to Use Best Endeavors to Assist in the Implementation of IPSASs

#	Start Date	Actions	Completion Date	Responsibility	Resource
<p><i>Background:</i></p> <p>The Accountant General’s Office, which is entrusted with the accounting functions of both Federal and State governments in Malaysia, endeavours to comply with the requirement of IPSASs where possible. The AG’s Office has drawn up a road map and implementation plan to adopt IPSASs issued by the International Public Sector Accounting Standards (IPSASB) of the IFAC by January 1, 2015.</p> <p>MICPA played a key role in the work to develop a roadmap to transition to the accruals basis of accounting in the Malaysian public sector. MICPA continues to use best endeavors to support the implementation of IPSAS and is represented on the relevant Government Advisory Committee.</p>					
<p><i>Maintaining Ongoing Processes</i></p>					
26.	Ongoing	Continue to promote the IPSASs to the Government.	Ongoing	Executive Committee & Head of Technical Department	
27.	Ongoing	Continue to publish IPSASB pronouncements on the MICPA’s website to promote IPSASs.	Ongoing	Head of Technical Department	MICPA Staff

#	Start Date	Actions	Completion Date	Responsibility	Resource
28.	February 2011	Participated in the Strategic Reform Initiatives Laboratory organised by the Performance Management and Delivery Unit of the Prime Minister's Department to assist in the drawing up of a roadmap and implementation plans for the transition of the cash basis of accounting to the accrual basis of accounting in the public sector.	June 2011	Executive Director	MICPA Staff
29.	October 2011	Appointed as a member of the Government Accounting Standard Advisory Committee to advise the Accountant General's Office on the adoption of IPSASs.	Ongoing	Executive Director	MICPA Staff
<i>Education & Training</i>					
30.	July 2011	Organise a training that focuses on the issues and challenges faced in the transition from the cash basis of accounting to the accrual basis of accounting.	July 2011	Head of Education & Training and Head of Technical Department	MICPA Staff
<i>Review of MICPA's Compliance Information</i>					
31.	Ongoing	MICPA will review regularly the IFAC's self-assessment questionnaires and update the SMO 5 when necessary.	Ongoing	Head of Technical Department	MICPA Staff

Action Plan Subject: SMO 6 - Investigations and Discipline

Action Plan Objective: Continue to Maintain Investigation and Disciplinary Processes in Compliance with SMO 6

#	Start Date	Actions	Completion Date	Responsibility	Resource
<i>Background:</i>					
<p>On admission to membership, each member is provided a copy of the Institute’s constitution which includes the provisions and processes for the investigation and disciplinary proceedings, the Code of Ethics and the Members Handbook which contain the full set of approved accounting and auditing standards. These pronouncements are also accessible from the MICPA websites.</p> <p>The MICPA’s investigation and disciplinary process is instigated following a complaint from the public or an observation by a MICPA staff or Council member. The member against whom the complaint is lodged is advised and should evidence be sufficient, the Investigation Committee looks into the matter and requests a response from the member. Should the matter be upheld it is referred to the Disciplinary Committee which looks at the case and decides on the appropriate sanction from a range that differ depending on the severity of the matter.</p> <p>The Investigation Committee consists of seven members of the Council while the Disciplinary Committee consists of five members of the Council and two lay persons who are members of a national body.</p>					
<i>Maintaining Ongoing Processes</i>					
32.	Ongoing	Continue to ensure MICPA’s investigation and disciplinary process is functioning as intended.	Ongoing	Executive Director	MICPA Staff
<i>Review of MICPA’s Compliance Information</i>					
33.	Ongoing	MICPA will review regularly the IFAC’s self-assessment questionnaires and update the SMO 6 when necessary.	Ongoing	Executive Director	MICPA Staff

Action Plan Subject: SMO 7 - International Financial Reporting Standards (IFRSs)
Action Plan Objective: Continue to Play an Active Role in the Standard Setting Process and to Promote Convergence with International Accounting Standards Board (IASB) Standards

#	Start Date	Actions	Completion Date	Responsibility	Resource
<p><i>Background:</i></p> <p>The Malaysian Accounting Standards Board (MASB) was set up to establish the set of accounting standards for both private entities and non-private entities (public entities) in Malaysia. The set of accounting standards for non-private entities are called Financial Reporting Standards. In 2008, the MASB has adopted the policy of converging all Financial Reporting Standards with the International Financial Reporting Standards issued by the IASB by January 2012.</p> <p>MICPA participates in the standard setting process through representation on the MASB's Working Groups. MICPA supports implementation of the standards in Malaysia.</p>					
<p><i>Maintain Ongoing Convergence with IFRS</i></p>					
34.	Ongoing	Review and submit comments on MASB as well as IASB discussion papers and exposure drafts. MICPA also participate in the MASB's working groups.	Ongoing	AATC & Head of Technical Department	MICPA Staff
35.	Ongoing	Update of Members' Handbook for adoption of newly issued/revised Standards and Interpretations.	Ongoing	Head of Technical Department	MICPA Staff
36.	Ongoing	Disseminate emerging issues and updates on Financial Reporting Standards (FRSs) to members through the MICPA's e-newsletter, circular and bimonthly Malaysian Accountant journal.	Ongoing	Head of Technical Department	MICPA Staff

#	Start Date	Actions	Completion Date	Responsibility	Resource
37.	Ongoing	Participate in the MIA's Financial Reporting Standards Implementation Committee (FRSIC) discussion on implementation issues related to FRSs.	Ongoing	AATC & Head of Technical Department	MICPA Staff
<i>Education and Training</i>					
38.	Ongoing	Organise training courses to enhance members' knowledge of newly issued/revised FRSs.	Ongoing	Head of Educational and Training	MICPA Staff
<i>Technical Support</i>					
39.	Ongoing	Provide guidance and technical support to members on the adoption of FRSs.	Ongoing	Technical Support Panel & Head of Technical Department	MICPA Staff
<i>Review of MICPA's Compliance Information</i>					
40.	Ongoing	MICPA will review regularly the IFAC's self-assessment questionnaires and update the SMO 7 when necessary.	Ongoing	Executive Director	MICPA Staff