

## **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 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.

<b>Approved by Governing Body:</b>	<i>Board of the CCPAP (BCCPAP)</i>
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## GLOSSARY

<b>CCPAP</b>	Colegio de Contadores Públicos Autorizados de Panamá
<b>BCCPAP</b>	Board of the Colegio de Contadores Públicos Autorizados de Panamá (CCPAP)
<b>CCPAP-PP</b>	CCPAP's Professional Practice Commission
<b>JTC</b>	Technical Accounting Board ( <i>Junta Técnica de Contabilidad</i> )
<b>CCPAP-EC</b>	CCPAP's Education Commission
<b>UNESCPA</b>	Universidad Especializada del Contador Público Autorizado
<b>APA</b>	Authorized Public Association
<b>CCPAP-(ISC)</b>	CCPAP's International Standards Commission
<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>IES</b>	International Education Standards
<b>IESBA</b>	International Ethics Standards Board for Accountants
<b>IFRS</b>	International Financial Reporting Standards
<b>AMUCOPA</b>	Asociación de Mujeres Contadoras Públicas Autorizadas de Panamá

**Action Plan Subject:** General Description of Organization, Environment and Goals of the Action Plan  
**Action Plan Objective:** Describe Regulatory and Standard-Setting Framework, Governance, Challenges and Success Factors

#	Start Date	Actions	Completion Date	Responsibility	Resources
<p><b>General Background</b>            CCPAP is a not for profit organization that regulates and promotes the accounting profession in the Republic of Panama. The primary objectives of CCPAP, you can see them listed in the CCPAP website (www.colegiocpapanama.org). In terms of licensing, CCPAP is not responsible for licensing. The current situation in Panama grants membership to the CCPAP and its certification to any Panamanian citizen who hold a CPA license provided by the JTC. In addition membership is open to accountants not engaged in public practice. CCPAP currently has over 1,500 members; we are still in the process to determine how many of them Licensed Practitioners are. To qualify for membership of CCPAP, members need to obtain their CPA license, for which they need: 1). Completion of national college requirements and attainment of a degree in accountancy, 2). A sworn declaration interposed by a lawyer, certifying that there is no pending case at court over the candidate, and that the candidate has not been condemned by crime, against the public faith or the property, within the five years previous to the request of the license.</p> <p><b>Regulatory and Standard Setting Framework</b>            The primary legislation is the Public Accountants Law (Law No.57). It provides for the licensing of public accountants and the registration of other accountants. CCPAP does not prescribe accounting standards for its members or the Republic of Panama. There is a law since 2007 in Panama which mandates IFRS must be the accounting standard for the Country, used for preparation of financial statements. ISA is also mandatory by this same law for the audits performed in Panama. By the end of 2011 we were informed by the Government that a consultant has been hired with international funds to prepare a whole new accountant law package for Panama. For this project, the Government will be investing approximately 60k. It is expected that at the end of 2012, a draft will be circulating for review.</p> <p><b>CCPAP Governance Framework</b>            A Council is elected annually by the membership. A number of Committees are established to support the objectives of the Council. The President and Council are much focused to comply with the Action Plan of the IFAC, and since 2010 a Technical Director was hired in order to give a support to the Council with the purpose to attend IFAC requirements.</p> <p><b>Challenges and Key Success Factors</b>            The primary challenges are to implement a Quality Program and the implementation and introduction of Final Assessment and Practical Experience requirements for Members of the CCPAP, because actual regulations do not require a Quality Program or a Certification. CCPAP considers that a key success factor in order to mitigate this challenges will be the fact that the CCPAP as an excellent relationship with the current government and will strengthen their efforts to get the support in order to change regulations. The CCPAP has included to the IFAC Compliance Commission of the CCPAP, members of the public sector, to involve them in the adoption and implementation of a system of education for the accounting profession in line with IFAC. The IFAC Compliance Commission is strongly pushing with Government Representatives to make sure the objectives of all SMOS's will be included in the new regulation.</p> <p>Following, actions taken per SMO will be indicated:</p> <p><b>SMO3</b> – CCPAP will suggest the Government to include in the new regulation that the JTC will have the responsibility for the adoption and implementation of ISAs and other IAASB Pronouncements promoted by IFAC.</p>					

#	Start Date	Actions	Completion Date	Responsibility	Resources
<p><b>SMO4</b> – CCPAP will suggest the adoption of the more recent (2010 version) IESBA Code of Ethics, as part of the new accountant law package for Panama.</p> <p><b>SMO5</b> – The IFAC Compliance Commission of CCPAP strongly impacted Government opinion, up to the point that the Government hired a local firm to define the road map for the IPSA's adoption in the Country. Right now they are working on the development of a Chart of Account and General Policies and Procedures to support this adoption.</p> <p><b>SMO7</b> -- CCPAP-ISC members have identified that main limitations for medium and small businesses to adopt or implement IFRS FOR SMEs are the complexity to obtain funding, and an unclear understanding of the Standard and the adoption or convergence process.</p> <p><b>Priorities for 2012-2013</b> After an extensive research work, we already have identified and received a formal proposal from the Colegio de Contadores Publicos Autorizados de Puerto Rico (attached). As you will note in this proposal, the Program at least will take an implementation time of 18 months; reason why we are adjusting some of the completion dates of SMO 1. We are currently discussing this program, with the other local associations in order to make this a Country Program and not only a CCPAP program. This has affected the timetable. Our expectation is that the beginning of the implementation of this Quality Program will be taking place around the middle of 2012. To devise and implement an appropriate and practical quality assurance review system, we expect that it will be accomplished through a Banking Legislation that will make mandatory that all companies that submit audited financial statements to the banks must comply with a Quality Assurance Program endorsed by the CCPAP.</p> <p><b>Projects</b> We were informed by the Government that a new legislation for the Accounting Profession is expected for the end of 2012, and hopefully the new Law will undertake the major gaps of the accounting profession. CCPAP is very active in the draft of the Law to assure that Quality Assurance and Certification gaps must be fulfilled.</p>					
<i>Update IFAC Action Plan</i>					
1.	Semi-Annually	Review Action plan and prepare to 6 monthly update call for IFAC Compliance Program	Semi-Annually		
2.	Annually	Update and agree Action Plan, then submit to Council for approval for submission to IFAC.	Annually		

**Action Plan Subject:** SMO 1, Quality Assurance  
**Action Plan Objective:** Establish an Effective Quality Assurance Review Program

#	Start Date	Actions	Completion Date	Responsibility	Resource
<b><u>Background:</u></b>					
<p>Currently, there is no Quality Assurance review system in place in Panama; however the Colegio de Contadores Públicos Autorizados de Panamá (CCPAP) has as one of its main priorities the establishment of a sound quality assurance program. The CCPAP's Professional Practice Commission (CCPAP-PP) has responsibility for the supervision of quality assurance. The CCPAP has a commitment to establish and provide quality, integrity and the adoption and application of best practice professional standards. The CCPAP has an obligation to the public to ensure that members in practice are aligned and consistent with their values. At this moment, the CCPAP'S Professional Practice Commission (CCPAP-PP) is responsible for the identification of the best and more practical Quality Program that can be applied in Panama. Once it is defined, this Commission will also be responsible for the implementation of the Program.</p>					
<b><i>Med Influence / High Gap</i></b>					
<p>Due to the power of existing regulators, it limits the influence of the CCPAP to establish independently an effective QARP. But in the other hand, CCPAP has developed a very good relationship with the local regulators and they have become part of the CCPAP's Professional Practice Commission (CCPAP-PP), and we see a very positive attitude about this issue; and hopefully, it is very probable that through a banking rule, banks must require audited financial statements from their clients from independent practitioners or auditing firms that are under a Quality Program.</p>					
<b><i>Initial Steps in the Creation of an Effective Quality Assurance Review Program</i></b>					
1.	Jul. 2010 Completed	Conversation and analysis of this topic among the Board of the CCPAP (BCCPAP) to point out the need for a system of quality assurance for the accounting profession.	Sep. 2010 Completed	BCCPAP	-BCCPAP -Professional Practice Commission (CCPAP-PP)
2.	Jul. 2010 Completed	Conversations with other regional members of IFAC that have implemented or are in the process of implementing a quality review program.	Sep. 2010 Completed	BCCPAP	-BCCPAP's President
3.	Completed	Incorporate to the IFAC Compliance Commission of the CCPAP, members of the public sector (a member of the General Controllers office, a member of the Ministry of Economy and Finance office, and a member of the JTC), in order to get them involved in the adoption and implementation of a system of quality assurance for the accounting profession in line with IFAC.	Completed	<u>BCCPAP</u>	-BCCPAP

#	Start Date	Actions	Completion Date	Responsibility	Resource
4.	Jan. 2012	Develop a working document identifying the steps that will be performed to create a Quality Assurance Program: 4.1 Develop a draft document indicating possible processes (may include: field interview, document review, independent review, etc), 4.2 Schedule timelines for individual objective accomplishment. 4.3 Identify roles and responsibilities. 4.4 Develop a guidance document to understand the funding and financing of this project. 4.5 Define ongoing quality assurance program maintenance process.	Mar.2013	BCCPAP	-BCCPAP -CCPAP-PP
5.	Nov.2012	Receive feedback from the CCPAP's members and consider them in developing a final base document for approval.	Aug.2013	BCCPAP	- BCCPAP - CCPAP's members
6.	Jan.2013	Notify the JTC about the approved document by the CCPAP and promote its adoption in the country.	Sep.2013 -Ongoing	BCCPAP	- BCCPAP - JTC
7.	Jan.2012	Prepare a budget and required resources for the entire quality assurance review program: <ul style="list-style-type: none"> <li>• Describe tasks and activities</li> <li>• Establish completion timeline</li> <li>• Determine amount of hours required</li> <li>• Identify resources needed</li> </ul>	Feb.2012	BCCPAP	-BCCPAP -CCPAP-PP
<b>Maintaining Ongoing Processes</b>					
8.	Ongoing	Ensure, through periodic reviews, that the quality review program currently being developed and designed is aligned with the requirements of the SMO 1.	Ongoing	BCCPAP	-JTC -BCCPAP
<b>Review of CCPAP's Compliance Information</b>					
9.	Ongoing	Perform periodic review of CCPAP's response to the IFAC's Compliance Self-Assessment questionnaires and update sections relevant to SMO 1 as	Ongoing	BCCPAP	-BCCPAP

#	Start Date	Actions	Completion Date	Responsibility	Resource
		necessary. Once updated, inform the IFAC compliance Staff about the updates in order for the compliance Staff to republish updated data: 9.1. Identify the person that will be assigned and responsible to track changes or modifications. 9.2 Notify updates to IFAC's Compliance Self-Assessment and any update to SMO 1, as necessary.			

**Action Plan Subject:** SMO 2, and IESs  
**Action Plan Objective:** Implementation and Introduction of Final Assessment and Practical Experience Requirements for Members of the CCPAP

#	Start Date	Actions	Completion Date	Responsibility	Resource
<p><b><u>Background:</u></b></p> <p>The current situation in Panama grants membership to the CCPAP and its certification to any Panamanian citizen who hold a CPA license provided by the JTC. The requirements to obtain a CPA license, are as follows: 1). completion of national college requirements and attainment of a degree in accountancy, 2). a sworn declaration interposed by a lawyer, certifying that there is no pending case at court over the candidate, and that the candidate has not been condemned by crime, against the public faith or the property, within the five years previous to the request of the license. By the end of 2011 we were informed by the Government that a consultant has been hired with international funds to prepare a whole new accountant law package for Panama. For this project, the Government will be investing approximately 60k. It is expected that at the end of 2012, a draft will be circulating for review. Of the record, we were informed that practical experience requirements will be included.</p> <p>The CCPAP keeps studying the channels in order to establish practical experience requirements, an evaluation program. Additionally, to ensure that the CCPAP establishes the education and training requirements that meet and comply with IESs, the CCPAP has been working doing an effective lobby with the authorities in order to have a new accountant regulation.</p> <p>As a result of our conversation with other regional members of IFAC to implement a system of professional accountancy education, practical experience and certification, we have being benchmarking to identify differences, and finally we decided after looking at the Puerto Rico model, that their model will be more suitable for Panama. Based on the above, we have already discussed with the Government Representatives which would be the best and more convenient figure for Panama; and they have expressed that it will be included in the new accountant law package for Panama. As it will be prepared during this year by the consultant, we had to adjust the completion timeline for this SMO.</p> <p><b><i>Influence / Priority Matrix: High Influence / Low Gap</i></b>  <b><i>Good independence from regulatory agencies and autonomy in the establishment of guidance and influence in required standards.</i></b></p>					
<p><b><i>Initiation of Professional Education Requirements</i></b></p>					
1.	July 2010 Done	Conversation and analysis of the topic of professional accountancy education, practical experience and certification among the CCPAP's Education Commission (CCPAP-EC). Particularly, the requirements of IES 5, Practical Experience Requirements and the requirements of IES 6, Assessment of Professional Capabilities and Competence. Note: The CCPAP Education Commission totally	Done	CCPAP	-CCPAP - EC

#	Start Date	Actions	Completion Date	Responsibility	Resource
		agree with the fact that Practical Experience Requirements are a must, such as Professional Capabilities and Competence. As a result of this analysis, the Education Commission indicated that for Panama, they will be two viable options to get the CPA: 1). Validation of Practical Experience Requirements (for which elements of validation must be defined), and 2). CPA Exam. This has been shared with the Government Representatives.			
2.	Jan.2012	Conversations with other regional members of IFAC that have implemented or are in the process of implementing a system of professional accountancy education, practical experience and certification for the CCPAP's members that has as a base the requirements established in the IES 5 and IES 6.	Sep.2012	CCPAP	CCPAP
3.	Mar.2012	In collaboration with the Universidad Especializada del Contador Publico Autorizado (UNESCPA), identify and review the various areas of study of the professional accountancy education program and the system of regulating the professional practical experience for the members of the CCPAP.	Oct.2012	CCPAP	CCPAP – EC UNESCPA
4.	Jan.2013	Perform a comparison of the various areas of study of the professional accountancy education program and the system of regulating the professional practical experience for the members of the CCPAP to explore alignment with IFAC IESs.	Feb.2013	CCPAP	CCPAP
5.	Nov.2012	Develop a draft document that indicates actions needed to fulfill compliance with IFAC IESs with particular attention to IES 5 and IES 6.	Jan.2013	CCPAP	CCPAP
6.	Feb.2013	Present this draft document to CCPAP members for comments.	May.2011Feb. 2013	CCPAP	CCPAP
7.	Jan.2013	Receive comments from the CCPAP's members and consider them in proposing a final base document for Board approval, including, among others, the following topics:	Mar.2013 -Ongoing	CCPAP	CCPAP - EC

#	Start Date	Actions	Completion Date	Responsibility	Resource
		<ul style="list-style-type: none"> <li>- Method for documenting practical experience and ensuring that such experience is relevant.</li> <li>- Action plan for establishing specialized professional practices within the CCPAP.</li> <li>- Competence and capabilities to be assessed.</li> <li>- Nature of the assessment (in written format).</li> <li>- Structure to validate that the assessment is reliable.</li> <li>- Communication Channels with public and private universities.</li> </ul>			
8.	Mar.2013	Present the document to the BCCPAP for review and approval.	Apr.2013	CCPAP	-CCPAP - EC -BCCPAP
<b>Maintaining Ongoing Processes</b>					
9.	Ongoing	Ensure through periodic reviews, that the Entry Requirements, Professional Education, Final Assessments, and Practical Experience, currently developed and designed, are updated with the new requirements issued by IFAC.	Ongoing	CCPAP	-CCPAP - EC
<b>Review of CCPAP's Compliance Information</b>					
10.	Ongoing	Perform periodic review of CCPAP's response to the IFAC's Compliance Self-Assessment questionnaires and update sections relevant to SMO 2, as necessary. Once updated, inform the IFAC compliance Staff about the updates in order for the compliance Staff to republish updated data: 11.1 Identify the person that will be assigned and responsible to track changes or modifications. 11.2 Notify updates to IFAC's Compliance Self-Assessment and any update to SMO 2 as necessary.	Ongoing	CCPAP	-BCCPAP

**Action Plan Subject:** SMO 2, and IESs (Cont...)  
**Action Plan Objective:** Ensure Effective Implementation of the CPD Requirements for Members of the CCPAP

#	Start Date	Actions	Completion Date	Responsibility	Resource
<p><b><u>Background:</u></b></p> <p>The current accountant law in Panama does not require Panamanian citizens who hold a CPA license provided by the JTC, to maintain practical professional experience and continuous education. The CCPAP, considering the need, is evaluating requirements to establish practical professional experience. CCPAP and AMUCOPA have a mandatory practice, through the Continuous Education Program Regulation, which requires CPA's to complete 40 hours of continuous education per year. The other Authorized Public Association (APA)'s does not have a Continuous Education Program.</p> <p>By the end of 2011 we were informed by the Government that a consultant has been hired with international funds to prepare a whole new accountant law package for Panama. For this project, the Government will be investing approximately 60k. It is expected that at the end of 2012, a draft will be circulating for review. Of the record, we were informed that CPD requirements will be included. It's important to mention that, even though, we have been evaluating requirements to establish practical professional experience to CCPAP Members, is a fact that we don't have enough coercive power to force Members to apply CPD Requirements, unless and just, until this comes as a law.</p> <p>Once the new accountant law is effective, other APA's also will be forced to establish a Continuous Education Program, and licensed CPA's will be required to get into a CPD Requirements Program.</p> <p>As the new accountant law package for Panama will be prepared during this year by the consultant, we had to adjust the completion timeline for this SMO.</p> <p><b>High Influence / Low Gap</b> <b>Good independence from regulatory agencies and autonomy in the establishment of guidance and influence in required standards.</b></p>					
<b>Continuing Professional Development Start-Up</b>					
1	Jul.- 10Feb.2012	Conduct an analysis of requirements of IES 7, in comparison with current requirements of CCPAP.	Apr.2012	CCPAP	CCPAP
2	Feb.2012	Identify areas where compliance with IES 7 could be enhanced (weaknesses) through benchmarking.	May 2012	CCPAP	CCPAP
3	Jun.2012	Create a plan to close the gap between IES 7 and CCPAP requirements: 4.1 Develop a document that shows the possible actions to be execute to comply with the IES 7 considering as guides: effective sanctions, including punitive sanctions, and respective approvals.	Jun.2012	CCPAP	CCPAP

#	Start Date	Actions	Completion Date	Responsibility	Resource
4	Jul.2012	Promote with the public sector the establishment of CPD (Continuous Professional Education) requirements through JTC, to enhance the accounting and audit practices.	Sep.2012	CCPAP	CCPAP JTC
5	Sep.2012	Promote through the UNESCPA, the establishment of CPD (Continuous Professional Education) requirements lobbying with public and private universities in order to apply best endeavors to establish as mandatory the need of practical professional experience and continuous education; considering that there are certain universities in which professional practical experience is optional.	Jan.2013	CCPAP	- CCPAP EC - BCCPAP
<b>Maintaining Ongoing Processes</b>					
6	Ongoing	Ensure through periodic reviews that the Continuing Professional Development currently developed and designed, are updated with the new requirements issued by IFAC with regards to this topic.	Ongoing	BCCPAP	-CCPAP EC -BCCPAP
<b>Review of CCPAP's Compliance Information</b>					
7	Ongoing	Perform periodic review of CCPAP's response to the IFAC's Compliance Self-Assessment questionnaires and update sections relevant to SMO 2, as necessary. Once updated, inform the IFAC compliance Staff about the updates in order for the compliance Staff to republish updated data: 8.1 Identify the person that will be assigned and responsible to track changes or modifications. 8.2 Notify updates to IFAC's Compliance Self-Assessment and any update to SMO 2 as necessary.	Ongoing	BCCPAP	-BCCPAP

**Action Plan Subject:** SMO 3, and IAASB Pronouncements  
**Action Plan Objective:** Use Best Endeavors to Assist The Junta Tecnica de Contabilidad with Implementation of ISAs and Promote Ongoing Convergence with ISAs.

#	Start Date	Actions	Completion Date	Responsibility	Resource
<p><b><u>Background:</u></b>            In Panama, the general practice is not the development but the adoption of international standards. The Junta Tecnica de Contabilidad (JTC) is the regulatory body established by law, responsible for the adoption and promulgation of standards and regulations in Panama, for which they have created the Comision de Normas de Contabilidad Financiera (NOCOFIN). ISAs were adopted in Panama, as they were incorporated by the Panamanian Republic as a national statutory requirement through the implementation of the Law 6 of February 2, 2005, which mainly stipules that the ISAs adopted will be the most recent version as of that date, plus any subsequent change or modification that can occur in the future.</p> <p>The CCPAP’s Professional Practice Commission (CCPAP-PP) has a commitment to support the adoption and promulgation of ISAs, to strengthen the effective use and application of standards in the country. This commitment has been based in two specific actions: 1). The CCPAP have two members/representatives in the Comision de Normas de Contabilidad Financiera (NOCOFIN), which means is constantly involved with other APAs, supporting the Junta Tecnica de Contabilidad (JTC) keeping them updated over changes or new international standards that are required to be adopted, 2). CCPAP incorporate ISAs every year in their education program, such as in Congress and Seminars, keeping accounting practitioners and members of the CCPAP updated with the more updated international standards, promoting ongoing convergence with ISAs. International Standards Commission CCPAP-(ISC) has been discussing in order to determine if there is a specific methodology that can be used for the adoption of International Standards, or to identify or incorporate any changes and/or modifications over the Standards of IAASB Pronouncements. We will discuss this aspect with the Government Representative to make sure this will be included in the new accountant law package for Panama. As the issuance of this new accountant law package for Panama will take place during year 2012, we had to adjust the completion timeline for this SMO.</p> <p><b>Low – Med Influence / Med - High Gap</b>            Lack of resources and intervention channels to non-affiliated CPA’s</p>					
<b>Promotion of Adoption and the Implementation of ISA’s</b>					
1.	May.2012	Conversations and analysis of this topic among the members of the International Standards Commission CCPAP- (ISC).	Jun.2012	CCPAP	-CCPAP – ISC
2.	August 2011	Establish communications channels with JTC, other APAS, and regulatory entities to raise awareness of the adoption of the Panamanian Law 6 of February 2, 2005 which adopted the enacted ISAs at that date and any modifications or other ISAs to be issued in the future. Note: The main communication channel established	Ongoing	CCPAP	-BCCPAP -JTC -APAS -Regulatory entities (Superintendencia de Bancos de Panamá, Superintendencia de Seguros, Comisión Nacional

#	Start Date	Actions	Completion Date	Responsibility	Resource
		with JTC and APAs, is through the frequent meetings established by the Comision de Normas de Contabilidad Financiera (NOCOFIN), which is a Commission conformed by a representative of the JTC and two representatives for each APA. Additionally, as we have said, we have been in several conversations with the Government promoting all SMO's to be incorporated by law.			de Valores, etc.) -UNESCPA
3	Ago.2011	Maintain system for raising awareness of updates and modifications to IAASB Pronouncements to ensure CCPAP membership is aware of these changes. Note: IFAC is our main updates and modifications information provider. Once we receive an IFAC notification through email, it is immediately forwarded to the membership and non members database.	Jul.2012	CCPAP	CCPAP - ISC
2.	Ago.2012	Develop and put into practice an adequate training program of the IAASB pronunciations for the CCPAP members. Note: Even though we have been including ISA's in our education program, we are planning to establish an ISA's specific training program for the first quarter of year 2013. Also, we will ask UNESCPA for their support requesting them to incorporate ISA's in their academic programs.	Ongoing	CCPAP	-CCPAP – EC -CCPAP- ISC
3.	Ago.2012	5.1 Development of the training program Note: The CCPAP's Professional Practice Commission (CCPAP-PP) will be responsible for the development of the CCPAP ISA's training program. Steps planned for developing this program are: 1). Develop a draft document identifying main elements of the training program, 2). Schedule timeline table for objectives accomplishment, 3). Identify roles and responsibilities, 3).Develop the training material, and 4). Define ongoing updates and adjustments required.	Nov.2012	CCPAP	-CCPAP - EC

<b>#</b>	<b>Start Date</b>	<b>Actions</b>	<b>Completion Date</b>	<b>Responsibility</b>	<b>Resource</b>
4.	Nov.2012	5.2. Approval of the program by the Education Committee of the CCPAP	Dic.2012	CCPAP	-CCPAP - EC
5.	Jan.2013	5.3 Review the program in trial mode	Mar.2013	CCPAP	-CCPAP - EC
6.	Mar.2013	5.4 Roll out of the training program is conceived for the first quarter of year 2013.	Ongoing	CCPAP	-CCPAP - EC
<b>Maintaining Ongoing Processes</b>					
5.	Ongoing	Assign resources for the training of CPA's in respect to the disclosure of ISA's (i.e. governmental professionals, non-affiliated CPA's, etc.). UNESCPA to support this effort through the consideration of the incorporation of ISA's in their academic programs.	Ongoing	CCPAP	-CCPAP - EC
6.	Ongoing	Continue to use best endeavors by identifying opportunities to further assist in implementation of ISAs. This includes review of the existing activities and updating action plans for the future activities where necessary.	Ongoing	CCPAP	-CCPAP - EC
<b>Review of CCPAP's Compliance Information</b>					
7.	Ongoing	Perform periodic review of CCPA's response to the IFAC Compliance Self-Assessment questionnaires and update sections relevant to SMO 3 as necessary. Once updated inform IFAC compliance Staff about the updates in order for the compliance Staff to republish updated data.	Ongoing	CCPAP	-BCCPAP

**Action Plan Subject:** SMO 4, and the IESBA Code of Ethics  
**Action Plan Objective:** Update the Code of Ethics to Current IESBA Code of Ethics.

#	Start Date	Actions	Completion Date	Responsibility	Resource
<b><u>Background:</u></b>					
<p>The Junta Tecnica de Contabilidad (JTC) has established a Code of Ethics for Certified Public Accountants, through the implementation of Decree Law 26 of May 17, 1984. The CCPAP has the intention to promote the adjustment by-law of the Code of Ethics imposed by Decree Law 26, standardizing it to the most recent IESBA Code of Ethics, and subsequently support the Junta Tecnica de Contabilidad (JTC) through the process of promulgation to increase the public awareness of the requirements and the importance to comply. Conversation and analysis for the issuance, adoption and implementation of IESBA Code of Ethics among the BCCPAP members took place already. The required need for the adoption has been discussed with the Government Representative to make sure this will be included in the new accountant law package for Panama. The current reforms to the law has the intention to adopt the more recent (2010 version) IESBA Code of Ethics. As this will take place during year 2012, we had to adjust the completion timeline for this SMO.</p>					
<b>High Influence / Low - Med Gap</b>					
There is no direct authority to non-CCPAP CPA's					
<b>Adoption of IESBA Code of Ethics</b>					
1.	Dec.2011	Conversation and analysis to establish guidelines required for the issuance, adoption and implementation of the IESBA Code of Ethics, among the members BCCPAP.	Jan.2012	CCPAP	CCPAP
2.	Mar.2012	Present a proposal to CCPAP's Members General Assembly) for the adoption of the most recent IESBA Code of Ethics.	Apr.2012	CCPAP	BCCPAP
3.	Jul.2011	Establish communication channels with JTC to promote the issuance of the most recent IESBA Code of Ethics and propose its approval as mandatory for the accounting profession in the country.	May.2012 Ongoing	CCPAP	-BCCPAP -JTC
4.	May.2012	Expand CCPAP's education and/or establish educational programs to include courses on the revised IESBA Code requirements: 4.1 Design and development of the program. 4.2 Establish a practical application of Code of Ethics. 4.3 Review the existent Code of Ethics establish by law, and perform a comparison on the revised	Ongoing	CCPAP	-CCPAP - EC

#	Start Date	Actions	Completion Date	Responsibility	Resource
		<p>IESBA Code requirements.</p> <p>4.4 Determine if supporting material requires to be developed from the scratch</p> <p>5.5 Obtain approval of educational program implementation course of action.</p>			
<b>Maintaining Ongoing Processes</b>					
5.	Ongoing	Ensure that the training programs for the CCPAP's members have the IESBA Code of Ethics requirements and its future updates. The rules and norms of the Code of Ethics should not be less severe than the one of the IESBA.	Ongoing	CCPAP	-CCPAP - EC
<b>Review of CCPAP's Compliance Information</b>					
6.	Ongoing	Perform periodic review of CCPAP's response to the IFAC Compliance Self-Assessment questionnaires and update sections relevant to SMO 4 as necessary. Once updated, inform the IFAC compliance Staff about the updates in order for the compliance Staff to republish updated data.	Ongoing	CCPAP	BCCPAP

**Action Plan Subject:** SMO 5, and Public Sector Accounting  
**Action Plan Objective:** Confirm the status of the IPSAS's adoption process

#	Start Date	Actions	Completion Date	Responsibility	Resource
<b><u>Background:</u></b>					
<p>Panamanian regulations currently regulate the Public Sector Accounting in the country. IPSAS's have not yet been adopted by the Panamanian Government. As a result of the tremendous lobby that during the year 2011 the BCCPAP has been doing with the Government representatives, during the third quarter of the past year, the Government hired a local big four audit firm, through which the important elements for the IPSAS's adoption were identified, and up to now, the Consultants are in the process of development of a Chart of Account and General Policies and procedures to support the adoption. CCPAP will use its best endeavors to promote with the Government the adoption of IPSAS's; once implemented, will support the Junta Tecnica de Contabilidad (JTC) through the process of promulgation to strengthen the public awareness and the importance and the impact of standardizing to IPSAS's. After the fact that we already have created awareness with the Government on the importance of the adoption of IPSAS's in Panama, the following step will be, once IPSAS's are adopted, to keep informed the Government regarding IPSAS's updates.</p> <p><b>Low Influence / High Gap</b> No authority or power to directly influence the government's position with respect to IPSAS's Adoption</p>					
<b><i>Establish the Start-Up of the IPSAS's Adoption Process</i></b>					
1.	Ongoing	Since the Government has not adopted the IPSAS's, the CCPAP will use its best endeavors to create awareness of IPSAS's, the impact of their use around the world and the progress that has been made particularly in the Latin American region, subsequent to their adoption, reflecting the possible benefits of their adoption and the implementation in Panama.	Ongoing	CCPAP	CCPAP
2.	Ongoing	Continue to develop clear communication channels with Government ministries and officials (Comptroller's Office, JTC and APA's), in order to promote the use of IPSAS's.	Ongoing	CCPAP	-Comptroller Office of the Republic of Panama -Minister of the Presidency -JTC -APA's
<b><i>Maintaining Ongoing Processes</i></b>					
3.	Ongoing	Continue to identify opportunities to further assist in implementation of IPSAS's. This includes review of the existing activities and preparation of the Action Plan for future activities where necessary.	Ongoing	CCPAP	-Comptroller Office of the Republic of Panama -Minister of the Presidency -JTC

#	Start Date	Actions	Completion Date	Responsibility	Resource
<b>Review of CCPAP's Compliance Information</b>					
4.	Ongoing	Perform periodic review of CCPAP's response to the IFAC Compliance Self-Assessment questionnaires and update sections relevant to SMO 5 as necessary. Once updated, inform the IFAC compliance Staff about the updates in order for the compliance Staff to republish updated data.	Ongoing	CCPAP	-BCCPAP -Comptroller Office of the Republic of Panama -JTC

**Action Plan Subject:** SMO 6, and Investigation and Discipline  
**Action Plan Objective:** Strengthening of Investigation and Disciplinary (I&D) Processes

#	Start Date	Actions	Completion Date	Responsibility	Resource
<b><u>Background:</u></b>					
<p>In Panama, the Junta Tecnica de Contabilidad is the entity legally responsible for the investigation and disciplinary (I&amp;D) mechanism for the profession. Even though Junta Tecnica de Contabilidad has legally established a process for investigating and disciplining (I&amp;D) the profession, it is still not clear what type of elements constitute a specific issue to investigate, how effective the mechanism is or what is CCPAP's role in the process. These are some of the aspects that needs to be defined and incorporated in the new Law as a responsibility of the JTC.</p> <p>Although, background in the country suggest that there have not been much investigations initiated or disciplinary actions taken in the past few years by the Junta Tecnica de Contabilidad. And for 2011, JTC confirmed that during 2011, no investigations have been initiated or disciplinary actions taken.</p> <p>To rectify this situation, the CCPAP should collaborate with the JTC to raise awareness and support the review of the current investigation and disciplinary mechanism to ensure professional accountants are complying with existing professional standards and ethical requirements. Also CCPAP should support the promulgation of Investigation and Disciplinary (I&amp;D) processes in line with SMO 6, to strengthen the effective use and application of standards in the country. This is an aspect that will need to be included and clearly defined by the new accountant law. As this is going to be established by the Government consultant, we have been having several conversations with them regarding this matter, to make them aware of the importance of the establishment of Investigation and Disciplinary (I&amp;D) processes. Once established, CCPAP will support the promulgation through training.</p> <p>As these actions will take place during year 2012, we had to adjust the completion timeline for this SMO.</p> <p><b>Medium Influence / Medium Gap</b>            Through UNESCPA, open the mechanisms to ignite awareness of disciplinary actions and /or investigative procedures</p>					
<b><i>Initiation of the Disciplinary Process and Strengthening of Investigations</i></b>					
1.	Oct.2012	Work with the JTC to carry out a review of existing procedures using SMO 6 as a benchmark.	Feb.2013	CCPAP	-BCCPAP -JTC
2.	Feb.2013	Develop a report that shows the areas where the existing I&D mechanism is not in compliance with SMO6 requirements. Include possible actions which may need to be executed to attain compliance with the requirements of SMO6. Note: So far, we have not yet identified the areas where existing I&D mechanism is not in compliance.	Apr.2013	CCPAP	-BCCPAP -JTC

#	Start Date	Actions	Completion Date	Responsibility	Resource
	Apr.2013	Encourage the JTC to utilize this review and report to identify areas of weakness and improve those areas which are not in compliance with SMO 6.	Ongoing	CCPAP	-BCCPAP
<b>Maintaining Ongoing Processes</b>					
3.	Ongoing	Continue to use best endeavors to ensure the JTC's investigation and disciplinary mechanism encompasses addressing all SMO 6 requirements. This includes review of the existing mechanism and updating the Action Plan for future activities where necessary.	Ongoing	CCPAP	-BCCPAP -JTC
<b>Review of CCPAP's Compliance Information</b>					
4.	Ongoing	Perform periodic review of CCPA's response to the IFAC Compliance Self-Assessment questionnaires and update sections relevant to SMO 6 as necessary. Once updated, inform the IFAC compliance Staff about the updates in order for the compliance Staff to republish updated data.	Ongoing	CCPAP	-BCCPAP -JTC

**Action Plan Subject:** SMO 7, and IFRS's  
**Action Plan Objective:** Use Best Endeavors to Assist The Junta Técnica de Contabilidad with implementation of IFRSs and Promote Ongoing Convergence with IFRS's.

#	Start Date	Actions	Completion Date	Responsibility	Resource
<p><b><u>Background:</u></b></p> <p>IFRSs were adopted in Panama in 2007, as they were incorporated by the Panamanian Republic as a national statutory requirement through the implementation of the Law 6 of February 2, 2005, which mainly stipules that the IFRS's adopted will be the most recent version as of that date, plus any subsequent change or modification that can occur in the future.</p> <p>IFRSs adoption was a mandatory requirement for banks and stock market entities in Panama since 2000. These segments are very knowledgeable of the application of IFRSs and the Public Accounting Firms that audit these Banks and Public Entities are very capable practitioners with vast experience auditing IFRS financial statements. Large companies have been forced since 2002 by their financial institutions to apply IFRSs to obtain financing so these entities are also very capable in IFRS reporting. A key area of challenges are the small and medium businesses in Panama which have not required financing to subsist, and therefore have not yet adopted IFRS.</p> <p>During year 2011, the CCPAP focused the annual Accounting Congress in IFRS for SME's, and IFRS is always included in our annual training program. Additionally, the UNESCPA (Universidad Especializada del Contador Publico Autorizado), organism attached to the CCPAP, includes IFRS in the curricular academic accounting. CCPAP will keep doing their best efforts to support the Junta Tecnica de Contabilidad (JTC) through the process of strengthening the effective use and application of IFRSs in the country. For these purpose, BCCPAP have been doing some lobby with JTC representatives, explaining them the importance to comply with SMO7. Additionally as explained prior, has supported through the inclusion of IFRS and IFRS for SME's in the CCPAP annual training program.</p> <p>By the end of 2011 we were informed by the Government that a consultant has been hired with international funds to prepare a whole new accountant law package for Panama. For this project, the Government will be investing approximately 60k. It is expected that at the end of 2012, a draft will be circulating for review. As these actions will take place during year 2012, we had to adjust the completion timeline for this SMO.</p> <p><b>Low – Medium Influence / Medium Gap</b>            Active involvement in the promotion of IFRS but less power to influence governmental officials in the convergence process to IFRS's.</p>					
<p><b>Intermediary Steps of Convergence to IFRS's</b></p>					
1.	July 2010 Done	Conversation took place between CCPAP-ISC members in order to identify limitations than can indicate, which are the main reasons why medium and small businesses have not yet adopted or implemented IFRS FOR SMEs. Main reason as we have said is funding. Other reason is an unclear	August 2010 Done	CCPAP	-CCPAP - ISC

#	Start Date	Actions	Completion Date	Responsibility	Resource
		understanding of the Standard and the adoption or convergence process.			
2.	July 2010	During 2011, specific training actions were taken to emphasize on the need for an obligation of Small and Medium Enterprises in adopting and implementing IFRS for SMEs. First action taken was an IFRS for SME's Workshop (24 hours training), using the training tools provided by the World Bank and incorporating one international trainer. Second action was performed in July 2011, focussing the annual Accounting CCPAP Congress in "IFRS for SME's," with participation of two members of the IFRS for SME's IASB Implementation Team.	Ongoing	CCPAP	-BCCPAP -JTC -Regulatory Entities (SIB de Panamá, Superintendencia de Seguros, Comisión Nacional de Valores, etc.)
3.	Jul.2011	Promote with the JTC, the establishment as a requirement that regulatory entities must oversee the compliance of banking, listed and large entities with IFRS. Work with JTC to discuss manners in which the organization can oversee compliance of small and medium sized companies with the adoption of IFRS for SMEs.	September 2012	CCPAP	BCCPAP -JTC -Regulatory Entities (SIB de Panamá, Superintendencia de Seguros, Comisión Nacional de Valores, etc.)
4.	Sep.2012	CCPAP develop a program for training regulatory entities in the necessary techniques and skills of compliance supervision.	Nov.2012	CCPAP	BCCPAP -JTC -Regulatory Entities (SIB de Panamá, Superintendencia de Seguros, Comisión Nacional de Valores, etc.)
5.	Nov.2012	Provide a massive training to regulatory entities to strengthen their supervision skills.	Jan.2013	CCPAP	BCCPAP -JTC -Regulatory Entities (SIB de Panamá, Superintendencia de Seguros, Comisión Nacional de Valores, etc.)
<b><i>Enhancement to Educational System to Further IFRS Knowledge and Implementation</i></b>					
6.	Jan.2012	Promote with the Ministerio de Educacion, the incorporation of IFRSs in the curriculum of the accounting subject on public and private schools:	Ongoing	CCPAP	-BCCPAP

#	Start Date	Actions	Completion Date	Responsibility	Resource
		<ol style="list-style-type: none"> <li>1. Develop a study plan incorporating IFRSs concept.</li> <li>2. Establish a pilot project program, selecting two well known accounting schools and implementing.</li> <li>3. Evaluate the results of the application and perform required adjustments.</li> <li>4. Standardized the implementation of the application to all public and private schools.</li> <li>5. Establish a training program.</li> </ol>			
7.	Jan.2012	<p>Promote through the JTC in collaboration with the Universidad Especializada del Contador Publico Autorizado (UNESCPA), the inclusion of IFRSs in the curricular academic accounting program:</p> <ol style="list-style-type: none"> <li>1. Identify and review the various areas of study of the professional accountancy education program, and structure a proposal to incorporate IFRSs</li> <li>2. Review and approve the proposal with the CCPAP's Education Commission (CCPAP-EC).</li> <li>3. Encourage the implementation of changes through all universities that have accounting programs.</li> <li>4. Establish a training program.</li> </ol>	Sep.2012	CCPAP	-BCCPAP, CCPAP – EC, JTC, UNESCPA
<b>Ongoing Training and Education conducted by CCPAP</b>					
8.	Feb.2012	Review latest changes to IFRSs and determine if they need to be included in the training program, as a result of any change or modification.	Apr.2012 Ongoing	CCPAP	BCCPAP
9.	Apr.2012	Approval of changes or modification of the training program by the CCPAP's Commission.	Jun.2012	CCPAP	BCCPAP
10.	Jun.2012	<p>Continue the training program about the IFRSs for the CCPAP members and others interested. In addition, continue with training through participation of IFRS' seminars and other professional arenas to further increment the support and awareness of IFRS application and guidance.</p> <p>Note: CCPAP has annually an IFRS Congress. Also IFRS (in modules mode) is always included in our annual training program. For 2012, we plan to incorporate in our CCPAP Annual Training Program, an IFRS for SME's Workshop (24 hours training). Additionally, we are scheduling for July 2012 an IFRS</p>	Anually	CCPAP	-CCPAP's Commission

#	Start Date	Actions	Completion Date	Responsibility	Resource
		for SME's Workshop Training (40 hours) for UNESCPA academics.			
<b>Maintaining Ongoing Processes</b>					
11.	Ongoing	Continue to use best endeavors by identifying opportunities to further assist in the implementation of IFRS's, to whom it may be necessary. This includes review of the existing activities and updating action plans for the future activities if required.	Ongoing	CCPAP	-CCPAP -EC
<b>Review of CCPAP's Compliance Information</b>					
12.	Ongoing	Perform periodic review of CCPA's response to the IFAC Compliance Self-Assessment questionnaires and update sections relevant to SMO 7 as necessary. Once updated, inform the IFAC compliance Staff about the updates in order for the compliance Staff to republish updated data.	Ongoing	CCPAP	-BCCPAP -JTC