

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

Use of Information

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

ACTION PLAN

IFAC Member/Associate:	The Brunei Darussalam Institute Of Certified Public Accountants (BICPA)
Approved by Governing Body:	Council of BICPA
Approved Date:	TBC
Published Date:	TBC

The progress of the Institute's Action Plan will be monitored by the Council of the Institute on a periodic basis. A progress report will be submitted to Council every quarter.

GLOSSARY:

AASB	Audit and Assurance Standards Board
ASC	Accounting Standards Council of Brunei Darussalam
ASEAN FA	ASEAN Federation of Accountants
BICPA	The Brunei Darussalam Institute of Certified Public Accountants
CPD	Continuing Professional Development
CPE	Continuing Professional Education
ESB	Ethics Standards Board
IAASB	International Auditing and Assurance Standards Board
IASB	International Accounting Standards Board
IES	International Education Standards
IESBA	International Ethics Standards Board for Accountants
IFAC	International Federation of Accountants
IFRS	International Financial Reporting Standards
IPSASB	International Public Sector Accounting Standards Board
IPSAS	International Public Sector Accounting Standards
ISA	International Standards on Auditing
ISQC	International Standards on Quality Control
MI	Mother Institutes
PAOC	Public Accountants Oversight Committee of Brunei Darussalam
PVQ	Pre Visit Questionnaire
QA	Quality Assurance
QARS	Quality Assurance Review System
SME	Small and Medium Entities
SMP	Small and Medium Practices

Background: The legal framework for accountancy in Brunei

BICPA is an organization registered with the Brunei Darussalam's Registrar of Societies for the purpose of, among other things, providing an organization for accountants to support and advance the status and interests of the accountancy profession; means for considering questions affecting the interests of the accountancy profession; to initiate, watch over, petition and take whatever action may seem desirable in relation to promoting recognition of the accountancy profession; to encourage the training and education of persons studying accountancy; and to provide a forum for accountants in Brunei Darussalam to join together and discuss mutual problems.

With the Accountants Order 2010 being gazetted on December 31, 2010 (commencement date to be announced), the provision of public accountancy services by public accountants will now be regulated by the Authority with the help of a Public Accountants Oversight Committee (PAOC). The Authority shall be responsible for the registration of public accountants and the approval of accounting corporations and accounting firms and for the control and regulation of the practice of the profession of accountancy. The Authority in discharging its function, shall:

- a) keep and maintain a register of public accountants, public accounting corporations, public accounting firms, public accounting limited liability partnerships and such other registers as may be necessary
- b) Consider and, as appropriate, grant or rejects all applications for registrations for public accountants or accounting corporations, accounting firms and accounting limited liability partnerships
- c) Inquire into any complaint or any information relating to any professional misconduct on the part of any public accountant, accounting corporation, accounting firms or accounting limited liability partnership and if necessary institute disciplinary proceedings.
- d) Conduct or arrange for the conduct of such examinations as it think necessary for the purposes of registering public accountants
- e) Administer the continuing professional education programmes for public accountants
- f) Consult the Brunei Darussalam Institute of Certified Public Accountants (BICPA) or such other person as he thinks fit.

The Public Accountants Oversight Committee (PAOC) shall assist the Authority in the discharge of the Authority's functions and in doing so shall:

- a) Assist the authority in determining, prescribing and reviewing the requirements to be satisfied by persons seeking to be registered as public accountants
- b) Administer the practice monitoring programme
- c) Inquire into any complaint or any information relating to any professional misconduct on the part of any public accountant, accounting corporation, accounting firms or accounting limited liability partnership and if necessary institute disciplinary proceedings
- d) Assist the Authority in determining, prescribing and reviewing the codes of professional conduct and ethics for public accountants and the standards, methods and procedures to be applied by public accountants when providing public accountancy services
- e) Advise the Authority on any matter which relates to the profession of public accountancy
- f) Generally do all such acts, matters and things as are necessary to be carried out or which the PAOC is authorized to carry out.

As a party that can be consulted by the Authority through the PAOC, and where a public accountant has to be a member of BICPA to practice,

BICPA will act as “advisor or consultant” on matters the PAOC have to consider in discharging its functions. BICPA will also highlights best international practice to the PAOC.

Action Plan Subject: SMO 1 and Quality Assurance (QA)
Action Plan Objective: Use Best Endeavors to Facilitate the Establishment of an Efficient External Quality Assurance Review System in Line with the Requirements of SMO 1

#	Start Date	Actions	Completion Date	Responsibility	Resource
<p><i>Background :</i></p> <p>The Public Accountants Oversight Committee (PAOC) is responsible for implementing the Quality Assurance Review System ("QARS"), in Brunei. From 1 June 2013, all practicing members are expected to be subject to practice monitoring visits conducted by PAOC or PAOC-appointed body. All firms are expected to be visited in the first cycle by 30 June 2014.</p> <p>In the establishment and implementation of the QARS, BICPA will support the work of the PAOC by providing the PAOC with all the necessary and relevant feedback to ensure the successful implementation of the QARS established by the PAOC.</p>					
<p><i>Play an Active Role in the Discussion, Agreement, Development and Adoption of a Quality Assurance Review System ("QARS") with the Brunei Darussalam's Public Accountants Oversight Committee (PAOC)</i></p>					
1.	June 2012	Draft procedures to ensure all public accountants are required to submit to peer review under certain described situations (e.g. at a minimum, all public accountants who perform audits of public interest entities and/or Government linked companies).	June 2013	Public Accountants Oversight Committee (PAOC)	BICPA's Council and independent PAOC-appointed review body.
2.	June 2012	Review reports on visits, including recommendations for improvements. Hold sessions to address common deficiencies.	June 2013	PAOC	BICPA's Council and independent PAOC-appointed review body
4.	June 2012	Hold sessions for practicing members to increase awareness of ISQC1 and to share best practices for compliance especially for Small Medium Practices (SMPs).	January 2013	BICPA's Council	BICPA's Council

#	Start Date	Actions	Completion Date	Responsibility	Resource
5.	January 2012	Establish agreement with independently appointed body to conduct Practice Monitoring Reviews on behalf of PAOC	June 2013	BICPA's Council and independent PAOC-appointed review body	BICPA's Council and independent PAOC-appointed review body
6.	June 2012	Request Pre Visit Questionnaire (PVQ) from selected Practitioners to assist the Review in planning the exercise.	January 2013	BICPA's Council and independent PAOC-appointed review body	BICPA's Council and independent PAOC-appointed review body
<i>Review of BICPA's Compliance Information</i>					
7.	Ongoing	Perform periodic review of BICPA's response to the IFAC Compliance Self-Assessment questionnaires and update sections relevant to SMO 1 as necessary. Once updated inform IFAC Compliance staff about the updates in order for them to republish updated information.	Ongoing	BICPA's Council	BICPA's Council

Action Plan Subject : SMO 2and International Education Standards for Professional Accountants (IAESB) and Other IAESB Guidance
Action Plan Objective : Develop a Competency Assessment Framework

#	Start Date	Actions	Completion Date	Responsibility	Resource
<p><i>Background:</i></p> <p>BICPA currently does not have a mandatory requirement for Continuous Professional Development (CPD), nor does it conduct its own examinations or issue professional qualifications. Only full members of Mother Institutes (MIs) those professional bodies recognized by the Brunei Darussalam’s Companies Act and members of IFAC, are recognized as a certified public accountants.</p> <p>BICPA currently has four categories of membership: i) Honorary ii) Associate iii) Affiliate and iv) Provisional. The Associate category is available only to full members of one of the eight international professional accountancy bodies recognized by the Brunei Companies Act and the Accountants Order. Practitioners have to be members of these MIs before they can practice as Authorized Auditors or Public Accountants. Members of MIs are required to fulfill the requirements of their respective institutes as practicing and professional members.</p> <p>Although the development of its own certification program is currently not a priority due to Brunei’s current economical infrastructure, if such a project were initiated it would be done in consultation with the PAOC and the Brunei Darussalam National Accreditation Council (BDNAC) which is responsible for accreditation of educational standards and professional qualifications.</p> <p>BICPA, working with PAOC, will introduce a requirement for its practicing members to comply with the International Education Standard (IES) 7 <i>Continuing Professional Development: A Program of Lifelong Learning and Continuing Development of Professional Competence</i>. With this introduction, the Continuing Professional Education (CPE) requirements for all associate members of BICPA who are practicing will continue to be monitored. Requirements for practical experience aligned with IES 5 <i>Practical Experience Requirements</i> will also be introduced for applicants for public accountant licenses. It is expected that the introduction of this requirement will assist public accountants to better live up to the public’s expectations and to maintain their relevance in today’s markets.</p>					
<p><i>Develop the Competency Assessment Framework</i></p>					

#	Start Date	Actions	Completion Date	Responsibility	Resource
8.	January 2012	Contact all professional MIs indicating BICPA's reliance on their qualification and CPD processes and requirements. BICPA to ascertain the extent each MI requires its overseas members to undertake CPD and also how breaches in ethical conduct by the overseas member are addressed by the MI. BICPA to seek confirmation from MI that they are aware that BICPA places reliance on its requirements and processes and confirmation that their members are in conformity with their requirements.	December 2012	PAOC and BICPA's Council	PAOC and BICPA's Council
9. .	January 2012	Review the CPD programs of IFAC member bodies that are at a similar stage of development to BICPA in order to devise and implement IES7 compliant CPD requirements for all associate members	June 2012	BICPA's Council	BICPA's Council
10. .	Ongoing	BICPA to continue to provide CPD courses covering both technical and personal development of members.	Ongoing	BICPA's council	BICPA's Council
<i>Review of BICPA's Compliance Information</i>					
11.	Ongoing	Perform periodic review of BICPA's response to the IFAC Compliance Self-Assessment questionnaires and update sections relevant to SMO 2 as necessary. Once updated inform IFAC Compliance staff about the updates in order for them to republish updated information.	Ongoing	BICPA's council	BICPA's council

Action Plan Subject: SMO 3and International Standards, Related Practice Statements and Other Pronouncements issued by the International Auditing and Assurance Standards Board (IAASB)
Action Plan Objective : Use Best Endeavors to Promote Convergence with IAASB Pronouncements

#	Start Date	Actions	Completion Date	Responsibility	Resource
<p><i>Background:</i></p> <p>Brunei Darussalam’s regulatory environment is silent on the use of any particular set of auditing standards and the jurisdiction does not have its own standards. The PAOC will be approached by BICPA on the need to adopt ISA as the standard for auditing.</p> <p>Realizing the above and the need to have one common standard of auditing, in December 2009 BICPA issued recommendations to all practicing members to adopt ISAs in carrying out audit engagements and continues to recommend that its practicing members use ISAs. This role may be undertaken by PAOC once PAOC’s fully in place in 2011/2012.</p> <p>BICPA conducts regular training workshops for its practicing members that cover new IAASB pronouncements, Clarity International Standards on Auditing (ISAs) and the ISA Guide for Small and Medium Entities (SMEs).</p>					
<p><i>Ongoing Adoption and Implementation of IAASB Pronouncements</i></p>					
12.	Ongoing	Communicate IAASB Exposure Drafts and final pronouncements to members to solicit views on draft pronouncements and collate and submit responses to the IAASB.	Ongoing	BICPA’s Council	BICPA’s Council
13.	Ongoing	Continue program of training workshops for practicing member covering recently issued pronouncements by the IAASB including those issued under the Clarity Project. The workshops will also cover the ISA Guide for small medium entities.	Ongoing	BICPA’s Council	BICPA’s Council
14.	January 2012	Establish a process for notifying members by email of all changes/pronouncements by IAASB and also solicit feedback from members on the draft pronouncements by the IAASB.	June 2012	BICPA’s Council	BICPA’s Council

#	Start Date	Actions	Completion Date	Responsibility	Resource
15.	January 2012	Establish process for posting ISA updates on the BICPA website, including a quality control check to ensure that notifications and postings are done on a timely basis.	June 2012	BICPA's Council	BICPA's Council
<i>Review of BICPA's Compliance Information</i>					
16.	Ongoing	Perform periodic review of BICPA'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 them to republish updated information.	Ongoing	BICPA's council	BICPA's council

Action Plan Subject: SMO 4 and the International Ethics Standards Board (IESBA) Code of Ethics for Professional Accountants
Action Plan Objective : Continue to Raise Awareness about the IESBA Code and to Educate its Members on the Provisions Contained Therein.

#	Start Date	Actions	Completion Date	Responsibility	Resource
<p><i>Background:</i></p> <p>BICPA's current Code of Ethics is a standard requirement for its members to be in good standing. BICPA also relies on the MIs, as IFAC member bodies, to require their members to comply with IESBA's Code of Ethics.</p> <p>The PAOC will be the body responsible for the conduct of practicing accountants. BICPA will work closely with PAOC to ensure the IESBA's Code of Ethics is formally adopted in Brunei Darussalam including by BICPA for all its members. BICPA will regularly review its Code of Ethics to be in line with that of IESBA. Any updates to the Code will be communicated to BICPA members by email and including alerts in the BICPA website with links to the IESBA/IFAC website on the updates/requirements, as well as included in ongoing training workshops.</p>					
<i>Continue to Raise Awareness about the IESBA Code and to Provide Implementation Guidance</i>					
17.	November 2011	<p>Include link to IESBA Code of Ethics on the BICPA's website with clear indication that IESBA pronouncements form ethics guidance to be followed by members.</p> <p>(BICPA's website is under re-construction and will be ready in Oct 2011)</p>	December 2011	BICPA's Council	BICPA's Council
18.	June 2012	Formally adopt the IESBA Code of Ethics.	December 2012	PAOC and BICPA's Council	PAOC and BICPA's Council
19.	June 2012	Establish a monitoring system for members' compliance and devise a system of self assessment/declaration for practicing members to annually confirm compliance.	December 2012	PAOC and BICPA's Council	PAOC and BICPA's Council

20.	Ongoing	Continue to raise and create awareness of the IESBA Code of Ethics and educate members on the provisions therein through workshops and seminars.	Ongoing	BICPA's Council	BICPA's Council
<i>Review of BICPA's Compliance Information</i>					
21.	Ongoing	Perform periodic review of BICPA's response to the IFAC Compliance Self-Assessment questionnaires and update sections relevant to SMO4 as necessary. Once updated inform IFAC Compliance staff about the updates in order for them to republish updated information.	Ongoing	BICPA's council	BICPA's council

Action Plan Subject : SMO 5 and International Public Sector Accounting Standards (IPSASs)
Action Plan Objective : Continue to Use Best Endeavors to Raise Awareness of IPSASs

#	Start Date	Actions	Completion Date	Responsibility	Resource
<i>Background:</i>					
The Accountant General's Office, which is entrusted with the accounting functions of the Brunei Government, endeavors to adopt IPSASs where possible.					
As BICPA does not have any responsibility for public sector financial reporting, whenever BICPA receives any updates on IPSAS or other IPSASB Guidance, the information is communicated to the Accountant General's Office.					
BICPA endeavors to support the public sector by reviewing accounts for compliance with IPSAS as well as providing training courses to facilitate training of public sector employees on an ongoing basis.					
<i>Raise Awareness of IPSAS and Establish a Relationship with Accountant General's Office to Assist in the Implementation of IPSAS</i>					
22.	2012	Promote IPSASs through Council Members who are representatives from the Government e.g. Accountant General and Auditor General's offices and Ministry of Finance.	Ongoing	BICPA's Council	BICPA's Council
23.	2012	Support the work or initiatives of Accountant General or Auditor General's Office in reviewing public sector accounts for compliance with IPSAS.	Ongoing	BICPA's Council	BICPA's Council
24.	2012	Review existing training courses to facilitate the training of public sector employees and consider recommending further provisions for improvements.	Ongoing	BICPA's Council	BICPA's Council
<i>Review of BICPA's Compliance Information</i>					

#	Start Date	Actions	Completion Date	Responsibility	Resource
25.	Ongoing	Perform periodic review of BICPA's response to the IFAC Compliance Self-Assessment questionnaires and update sections relevant to SMO 5 as necessary. Once updated inform IFAC Compliance staff about the updates in order for them to republish updated information.	Ongoing	BICPA's council	BICPA's council

Action Plan Subject : SMO 6 and Investigation and Discipline
Action Plan Objective : To Enhance the Investigation and Disciplinary Function of the Institute

#	Start Date	Actions	Completion Date	Responsibility	Resource
<p><i>Background:</i></p> <p>The Accountants Order clearly states that the responsibility to investigate and discipline practicing accountants lies with the PAOC's Investigation and Disciplinary Committee.</p> <p>For complaints against BICPA members who are not practicing, BICPA's constitution allows BICPA to set an investigation committee to investigate and if the matter is to be referred to disciplinary committee, a disciplinary committee can be established.</p> <p>When BICPA receives a formal complaint against any member, and there are grounds to that complaint, it is the duty of the secretary to refer it to the Investigation Committee of BICPA, which comprises of three Council members, to investigate. This committee decides if it is to be referred to the Disciplinary Committee, which comprises of four members of the Council.</p> <p>Before any investigation begins, the member concerned will be given a written notification describing the complaint, inviting the member to explain within reasonable time in writing and if he wishes to be heard by the Investigation Committee. If the Investigation Committee determines that the matter is to be referred to the Disciplinary Committee and the accused member is found guilty, the Disciplinary Committee may exercise their disciplinary powers. Any member aggrieved by any decision of the Disciplinary Committee may within a specified time may give notice of appeal in writing stating the ground for such appeal. The appeal procedure shall be the same as for appeals to the Court of Appeal from Decisions of the High Court in Civil Matters.</p> <p>The BICPA website will provide details of its complaints procedure to the public.</p>					
<i>Review and Enhance the Mechanism of the Investigation Function of the Institute and Ensure that it is in Line with SMO 6 Requirements</i>					
26. .	June 2012	Establish a task force to review the requirements of SMO 6, produce a comparison with BICPA's existing system and develop recommendations on how BICPA can more fully align its investigatory and disciplinary system with SMO 6.	September 2012	BICPA's Council	BICPA's Council

27. .	September 2012	Establish the Investigation and Disciplinary committees to hear any complaints against non-practicing members of BICPA.	December 2012	BICPA's Council	BICPA's Council
28. .	June 2012	Establish Investigation and Disciplinary rules and procedures to hear complaints on non-practicing members.	June 2013	BICPA's Council	BICPA's Council
<i>Work with PAOC to ensure alignment of investigation and discipline system for practicing members with SMO6</i>					
29. .	June 2012	Use best endeavors to ensure the PAOC's investigation and discipline systems for practicing accountants in Brunei comply with the requirements of SMO 6.	December 2012	POAC and BICPA's Council	PAOC and BICPA's Council
30. .	June 2012	Obtain support from other IFAC and/or ASEAN Federation of Accountants (AFA) member bodies to devise training for members of the Investigation and Disciplinary Committees of the Institute to ensure that they are clear on the proper procedures.	December 2012	BICPA's Council	BICPA's Council
<i>Review of BICPA's Compliance Information</i>					
31.	Ongoing	Perform periodic review of BICPA's response to the IFAC Compliance Self-Assessment questionnaires and update sections relevant to SMO 6 as necessary. Once updated inform IFAC Compliance staff about the updates in order for them to republish updated information.	Ongoing	BICPA's council	BICPA's council

Action Plan Subject : SMO 7 and International Financial Reporting Standards (IFRSs)
Action Plan Objective : Use Best Endeavors to Ensure the Adoption and Implementation of IFRS in Brunei Darussalam

#	Start Date	Actions	Completion Date	Responsibility	Resource
<p><i>Background:</i></p> <p>The Accounting Standards Order which was gazette on December 31, 2010 and put into force on August 1, 2011 gives the responsibility of setting accounting standards in Brunei Darussalam to the Accounting Standards Committee which will be appointed by the Minister of Finance. This committee has responsibility for setting financial reporting standards for Public Interest Entities in Brunei Darussalam.</p> <p>Currently, there is no legal requirement for the use of any particular set of financial reporting standards. With the forthcoming formation of the Accounting Standards Committee, it is expected that a move to use internationally recognized accounting standards will be seriously considered.</p> <p>Through its working committee (to be set up) BICPA will carry out research on the standards that are available and evaluate their relevance for the Brunei environment. Feedback will be given to the Accounting Standards Committee or its working committee, as appropriate.</p> <p>Of the six ASC members, two are BICPA Council members and another two are accountants who have a close relationship with BICPA.</p>					
<p><i>Undertake activities to support the implementation of international standards in Brunei</i></p>					
32. .	January 2011	Discuss internally the appropriateness of international accounting standards for SMEs in Brunei Darussalam.	Ongoing	BICPA's Council	BICPA's Council
33. .	Ongoing	Continue to provide IFRS training for all members.	Ongoing	BICPA's Council	BICPA's Council
<p><i>To provide input to the standard-setting process led by Brunei Darussalam's Accounting Standards Committee</i></p>					

#	Start Date	Actions	Completion Date	Responsibility	Resource
34.	August 2011	BICPA will work closely with the Accounting Standards Committee in its deliberation on the implementation of IFRS.	Ongoing	Accounting Standards Council and BICPA's Council	BICPA's council
<i>Review of BICPA's Compliance Information</i>					
35.	Ongoing	Perform periodic review of BICPA's response to the IFAC Compliance Self-Assessment questionnaires and update sections relevant to SMO 7 as necessary. Once updated inform IFAC Compliance staff about the updates in order for them to republish updated information.	Ongoing	BICPA's council	BICPA's council