

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:	Kampuchea Institute of Certified Public Accountants and Auditors (KICPAA)
Approved by Governing Body:	KICPAA's Governing Council
Date Approved:	August 15, 2011
Date Published:	August 19, 2011

GLOSSARY

ANUKRET	Sub-Decree or Government Decree
CPD	Continuing Professional Development
EEC	Education & Examination Committee
GC	Governing Council
IAESB	International Accounting Education Standards Board
IDF	International Development Fund
IES	International Education Standards
IPSAS	International Public Sector Accounting Standards
KICPAA	Kampuchea Institute of Certified Public Accountants and Auditors
MEF	Ministry of Economy and Finance
MoC	Memorandum of Cooperation
NAC	National Accounting Council
PRAKAS	Regulation issued by a Minister
QA	Quality Assurance
QAC	Quality Assurance Committee
QAWG	Quality Assurance Working Group
QC	Quality Control
QEP	Qualifying Examination Programme
SMO	Standards of Membership Obligation
WB	World Bank

Action Plan Subject: SMO 1 – Quality Assurance
Action Plan Objective: Introduce the Concept of Quality Assurance to the Firms in Cambodia in Preparation to Establish a Quality Assurance Review System

#	Start Date	Actions	Completion Date	Responsibility	Resource
<p><i>Background:</i></p> <p>The Quality Assurance Committee was established through the Ministerial PRAKAS (Regulation issued by a Minister) in September 2009. The key roles and responsibilities of the Committee are as below:</p> <ul style="list-style-type: none"> • Establish policy, procedures, and instructions to enhance audit quality and to promote compliance by members of the Kampuchea Institute of Certified Public Accountants and Auditors (KICPAA); • Provide technical advice on auditing standards and oversee the implementation and compliance of audit standards to ensure audit quality; and • Report to the Governing Council if there is an improper implementation of the auditing standards or non-compliance with the Code of Ethics by the members. <p>Through the International Development Fund (IDF) grant provided by the World Bank (WB) to the Royal Government of Cambodia, KICPAA has recruited an international consultant for the development of the Quality Assurance Mechanism for Quality Control and Capacity Building within KICPAA and with the mandate to deliver a capacity assessment report, capacity building plan for KICPAA-QC Committee, as well as a proposed capacity building plan specifying the training need for the short, medium, and long-term. Other deliverables include the development of mechanisms, tools and guidelines for KICPAA-QC Committee to conduct the quality control review in line with IFAC standards; training of the KICPAA-QC Committee; and the application of the above developed mechanisms and guidelines. The consultant is also required to present to KICPAA members on ISQC1 and the above developed tools and guidelines for quality control reviews.</p>					
<p><i>Establishment of the Quality Assurance Committee</i></p>					

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#	Start Date	Actions	Completion Date	Responsibility	Resource
1.	Nov 2009	Appointed members of the Quality Assurance Committee.	Nov 2009 Completed	GC	GC/MEF
2.	Nov 2009	Set up a Quality Assurance Working Group (QAWG) to support the work of QA Committee.	Jan 2011 Completed	GC	KICPAA
<i>Development of the Quality Assurance Committee</i>					
3.	May 2010	Assessed the quality of KICPAA's Assurance Committee.	May 2010 Completed	Consultant	WB/KICPAA/MEF
4.	May 2010	Prepared the capacity building plan on the training needs for the short, medium, and long-term.	Dec 2010 Completed	Consultant	WB/KICPAA/MEF
5.	May 2010	Developed mechanisms, tools, and guidelines in line with the IFAC Standard on Quality Assurance for KICPAA QA Committee to conduct the quality control review of its members.	Dec 2010 Completed	Consultant	WB/KICPAA/MEF
6.	Oct 2010	Trained KICPAA's Quality Assurance Committee on how to apply and use the above developed mechanism and tools.	Dec 2010 Completed	Consultant	WB/KICPAA/MEF
7.	Oct 2010	Workshops to introduce members the concept of reviews and the requirement of ISQC1 highlighting the value of the overall objective of this IFAC standard and the effectiveness of the application of this standard.	Dec 2010 Completed	Consultant	WB/KICPAA/MEF
8.	April 2011	Workshop on the Audit Manual and the QA Process.	April 2011 Completed	Consultant	WB/KICPAA/MEF

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9.	May 2011	Develop Action Plan to train smaller firms to develop their QA Policies and Procedures.	April 2012	GC	GC
10.	May 2012	Present the Action Plan to the Governing Council (GC).	July 2012	GC	GC
11.	Sept 2012	Work with other professional bodies of accountancy in order to select independent reviewers.	Dec 2012	GC	GC
<i>Maintaining ongoing processes</i>					
12.	Mid 2013	Random selection of reviewees and conduct of reviews.	Dec 2013	Independent reviewer	GC
13.	Mid 2014	Encourage the QA Committee to publish an annual report of its activities, highlighting area of concern.	Yearly	QA Committee	GC
14.	Late 2014	Where necessary offer training on the most significant and frequent issues identified during reviews.	Ongoing	Independent reviewer	GC
<i>Review of KICPAA's compliance information</i>					
15.	Ongoing	Perform periodic review of KICPAA's response to the IFAC Compliance Self-Assessment Questionnaires and update sections relevant to SMO 1 as necessary. Once updated inform IFAC Compliance staff to republish updated information.	Ongoing	GC	GC

Action Plan Subject: SMO 2 – International Education Standards for Professional Accountants and other IAESB Guidance
Action Plan Objective: Put in place entry requirements and a program of certification that enables professional accountants to become CPA members of KICPAA

#	Start Date	Actions	Completion Date	Responsibility	Resource
<i>Background:</i>					
<p>A majority of current members of the KICPAA hold foreign accountancy qualifications and there is presently no further examination requirement to maintain membership. In acknowledging the lack of local qualifications for certification as a professional accountant, the Governing Council (GC) has resolved to establish the Cambodian CPA programme as specified by the Law and, as an initial step, delegated the responsibility of the development of the professional examination programme to the CEO. The purpose of this programme is to provide opportunities to accountants, financial managers, financial specialists, management accountants, tax specialists/experts, internal auditors, and even senior management with extensive accounting and/or financial experience to become CPA members of KICPAA.</p> <p>Cambodian Law specifies that only professional accountants who are Cambodian citizens may undertake audit attestation services and in recognition of the fact that there is a limited pool of such accountants, KICPAA has embarked on a major programme to rectify this by working with Cambodian universities to revamp accounting qualifications that produce skilled professional accountants and auditors who are attuned to international accounting or auditing standards and to build a licentiate programme for the certification of accountants. A curriculum and standards framework is currently non-existent among universities and institutions which provide studies in the accounting discipline.</p>					
<i>Development of Qualifying Examination Programme (QEP)</i>					
16.	Dec 2010	Develop the QEP including Policy and CPA programme.	Dec 2012	GC	GC
17.	Feb 2011	Draft an Education & Exam Committee (EEC) to advise the programme.	Jan 2012	GC	EEC/GC

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#	Start Date	Actions	Completion Date	Responsibility	Resource
18.	Jan 2013	Review and comment on the draft QEP and CPA programme.	Sept 2013	EEC	EEC/GC
19.	Jan 2014	Conduct public consultation with key stakeholders on the programme so that comments can be obtained.	Jan 2014	GC/EEC	EEC/GC
20.	March 2014	Revise the programme in accordance with the recommendations from the key stakeholders.	May 2014	GC/EEC	EEC/GC
21.	July 2014	Consider recruiting qualified and experienced persons to manage the programme and to oversee support staff involved in the coordination of the activities associated with the programme.	Nov 2014	GC	GC
22.	Jan 2015	Launch QEP programme to allow professional accountants to become CPA members of KICPAA subject to availability of funding.	Ongoing	GC	GC
23.	Jan 2012	Develop the National CPA Examination programme including its examination policy and discuss it among key stakeholders.	Jan 2015	GC/EEC	EEC/GC
<i>Work with Cambodian universities to help formulate an internationally benchmarked syllabus</i>					
24.	Feb 2010	Assessed the current status of the accounting syllabus provided by the universities in Cambodia and provided recommendations on how to streamline and enhance the current shortfall to meet the international benchmark.	Feb 2010 Completed	International consultant	WB/KICPAA/MEF

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#	Start Date	Actions	Completion Date	Responsibility	Resource
25.	Feb 2010	Developed a standardized syllabus for accounting degrees for universities aiming to achieve international recognition.	May 2010 Completed	International consultant	WB/KICPAA/M EF
26.	March 2010	Drafted Memorandum of Cooperation (MoC) to be signed between all interested universities and KICPAA to carry out the plan toward the adoption of the revised accounting syllabus as per the above developed syllabus.	May 2010 Completed	International consultant	WB/KICPAA/M EF
27.	May 2010	Conducted a workshop to introduce the developed standardized syllabus and Memorandum of Cooperation to key stakeholders.	May 2010 Completed	International consultant	WB/KICPAA/M EF
28.	August 2011	Conduct Training Needs Assessment (TNA) among academic staff that teach accounting or finance subjects so that the pilot programme on the capacity building of the academic staff can be implemented.	Dec 2011	Local consultant	WB/KICPAA/M EF
29.	July 2012	Conduct training programme to academic staff on IPSAS, IFRS, ISAs, Code of Ethics for Professional Accountants and on effective teaching and learning methodologies subject to funding availability.	August 2014	Qualified trainers	GC
30.	Jan 2015	Work with local universities to implement the developed standardized accounting syllabus which is consistent with International Education Standards (IES) as published from time to time by the International Accounting Education Standards Board (IAESB).	Ongoing	GC	GC

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#	Start Date	Actions	Completion Date	Responsibility	Resource
31.	Jan 2015	Develop a Competency Framework for the Accounting Profession in Cambodia as a source of standards to inform university syllabus and as guidance for competent professional behaviour of accountants subject to funding availability.	Jan 2016	Consultant	Donor/KICPAA/MEF
<i>Continue to provide CPD programme to members and the public</i>					
32.	Jan 2012	Continue to review practical experience and other requirements to ensure compliance with IES requirements.	Ongoing	GC	GC
33.	July 2011	Continue to provide CPD programmes to members and non-members to upgrade their skills and knowledge.	Ongoing	GC	GC
34.	Nov 2010	Developed CPD Policies so as to enforce members to comply with professional codes and standards.	April 2010 Completed	GC	GC
<i>Maintaining ongoing processes</i>					
35.	Ongoing	KICPAA will use its best endeavours to ensure KICPAA education requirements will incorporate all IES requirements.	Ongoing	GC	GC
<i>Review of KICPAA's compliance information</i>					
36.	Ongoing	Perform periodic review of KICPAA's response to the IFAC Compliance Self-Assessment Questionnaires and update sections relevant to SMO 2 as necessary. Once updated inform IFAC compliance staff to republish updated information.	Ongoing	GC	GC

Action Plan Subject: SMO 3 – International Standards – ISAs
Action Plan Objective: Support the adoption of the International Standards on Auditing by the National Accounting Council

#	Start Date	Actions	Completion Date	Responsibility	Resource
<p><i>Background:</i></p> <p>The Ministry of Economy and Finance through its PRAKAS authorized the implementation of Cambodian International Audit and Assurance Standards by fully adopting and implementing all international auditing and assurance standards published by the IAASB including amendments that may occur in any circumstances to each standard.</p> <p>The Cambodian International Audit & Assurance Standards include:</p> <ul style="list-style-type: none"> • Cambodian International Standards on Quality Control; • Cambodian International Standards on Auditing; • Cambodian International Standards on Review Engagement; • Cambodian International Standards on Assurance Engagement; • Cambodian International Standards on Related Services; and • Cambodian International Standards on Practice Standards that provide guidance and practical assistance for implementation of the above standards 					
<p><i>The adoption of ISAs</i></p>					
37.	May 2010	Worked with the Ministry of Economy and Finance and the National Accounting Council to adopt and implement the International Audit & Assurance Standards comprising ISAs, ISREs, ISAES, ISQC and other standards published by the International Auditing and Assurance Standards Board (IAASB).	May 2010 Completed	NAC Secretariat	NAC/MEF

#	Start Date	Actions	Completion Date	Responsibility	Resource
38.	July 2010	Established a QA Committee to monitor, control and evaluate the implementation of the Cambodian International Standards on Auditing and Assurance.	Nov 2010 Completed	KICPAA	KICPAA/MEF
39.	Q4 2011	Establish a process to regularly review IAASB pronouncements and inform KICPAA members of new developments and updates.	Q4 2012	KICPAA	
<i>Maintaining ongoing processes</i>					
40.	2013	To ensure that KICPAA members implement and comply with relevant Auditing and Assurance Standards [refers to SMO 1 – Quality Assurance on 12 & 13] to ensure compliance of the Audit and assurance standards.	Ongoing	QA Committee	QAC/KICPAA
<i>Review of KICPAA's compliance information</i>					
41.	Ongoing	Perform periodic review of KICPAA's response to the IFAC Compliance Self-Assessment Questionnaires and update sections relevant to SMO 3 as necessary. Once updated, inform IFAC Compliance Staff to republish updated information.	Ongoing	GC	GC

Action Plan Subject: SMO 4 – IESBA Code of Ethics for Professional Accountants
Action Plan Objective: Use best endeavours to encourage full adoption of the IESBA Code of Ethics

#	Start Date	Actions	Completion Date	Responsibility	Resource
<p><i>Background:</i></p> <p>Cambodia adopted the framework of IESBA Code of Ethics for Professional Accountants. However, under the current law, Cambodia is unable to adopt the Code of Ethics in its entirety, as the adoption of such Codes must be made through the Sub-Decree (signed by the Prime Minister) as required by the current law.</p> <p>KICPAA is working closely with the Ministry of Economy and the National Accounting Council to revise the current law which will allow KICPAA to adopt the recommended IESBA's Code of Ethics for Professional Accountants and any future amendments.</p> <p>KICPAA does not have its own CPA programme, KICPAA currently grants its membership only to those who are members of recognized members. Therefore, KICPAA's members are indirectly required to comply with IESBA Code of Ethics for Professional Accountants. KICPAA is committed to adopt IESBA's recommended Code of Ethics.</p>					
<i>Use best endeavors to encourage the adoption of IESBA Code of Ethics for Professional Accountants</i>					
42.	Jan 2013	Conduct a full review of the requirements of SMO 4, with a view to establishing a future workplan for the adoption of the IESBA Code of Ethics.	April 2013	GC	GC
43.	Q2 2013	Promote awareness among members the IESBA Code of Ethics for Professional Accountants by providing a link to the IFAC Website and to the IESBA Code of Ethics for Professional Accountants and Education Toolkits.	Ongoing	GC	GC

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#	Start Date	Actions	Completion Date	Responsibility	Resource
44.	Q2 2013	Issue guidance using local examples to illustrate standards in line with good practices and compliance with IFAC standards.	Q4 2013	GC	GC/KICPAA
<i>Review of KICPAA's compliance information</i>					
45.	Ongoing	Perform periodic review of KICPAA's response to the IFAC Compliance Self-Assessment Questionnaires and update sections relevant to SMO 4 as necessary. Once updated, inform IFAC Compliance staff to republish updated information.	Ongoing	GC	GC

Action Plan Subject: SMO5 - International Public Sector Accounting Standards (IPSAS)
Action Plan Objective: Use best endeavours to encourage the adoption of International Public Sector Accounting Standards

#	Start Date	Actions	Completion Date	Responsibility	Resource
<p><i>Background:</i></p> <p>The adoption of IPSAS is long term project which requires proper understanding of challenges and how to address those challenges in the proper planning of resources. The Government's decision will play a major role on adoption of IPSAS.</p> <p>Through the finance from the World Bank's credit, Cambodia is implementing Public Sector Financial Reform towards adoption of IPSAS.</p> <p>On 23-24 February 2011, at the Ministry of Economy and Finance, the World Bank organized a workshop to introduce the use of the International Public Sector Accounting Standards to the Department of Treasury, Department of Internal Audit, and other concerned departments.</p>					
<i>Promote the standards and guidance and other pronouncements issued by the IPSASB</i>					
46.	Ongoing	Circulate guidance and other pronouncements issued by the IPSASB.	Ongoing	GC	GC
<i>Review of KICPAA's compliance information</i>					
47.	Ongoing	Perform periodic review of KICPAA's response to the IFAC Self-Assessment Questionnaires and update sections relevant to SMO 5 as necessary. Once updated, inform IFAC Compliance staff to republish updated information.	Ongoing	GC	GC

Action Plan Subject: SMO 6 - Investigation and Discipline
Action Plan Objective: Establish Investigation and Disciplinary Systems and Procedures

#	Start Date	Actions	Completion Date	Responsibility	Resource
<i>Background:</i>					
Since KICPAA's inception, the Disciplinary Committee has been established through the Ministerial pronouncement. This Committee, unfortunately, has not functioned due to lack of Membership and Disciplinary Rules.					
<i>Establishing membership and disciplinary rules</i>					
48.	Q2 2012	Revise the structure of the Disciplinary Committee and prepare the new appointment of its members by the Ministerial pronouncement.	Q2 2013	GC	GC/MEF
49.	Q2 2012	Review SMO 6 to understand the requirements and consider how the investigation and disciplinary mechanism could be developed and established to suit the Cambodian environment.	Q4 2012	GC	GC
50.	Q2 2012	Develop Investigation and Disciplinary Guidelines and inform members of these guidelines.	Q1 2013	GC	GC
<i>Review of KICPAA's compliance information</i>					
51.	Ongoing	Perform periodic review of KICPAA'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 to republish updated information.	Ongoing	GC	GC

Action Plan Subject: SMO 7 – International Financial Reporting Standards (IFRS)
Action Plan Objective: Support the Implementation of IFRS in Cambodia

#	Start Date	Actions	Completion Date	Responsibility	Resource
<p><i>Background:</i></p> <p>The National Accounting Council (NAC) is the national accounting standard setter. It is thereby mandated to (i) review and give its opinion on all draft laws and regulations which consist of provisions pertaining to the preparation of accounting work for all enterprises or economic activities, (ii) develop the conceptual framework and the Accounting Standards, (iii) propose measures for the improvement of accounting techniques, and (iv) be a representative of the Kingdom of Cambodia at international organization's forum and meeting and debating on accounting matters.</p> <p>The NAC is the national Standard Setter and Regulator whereby KICPAA is a professional body governing the professional accountants. Three representatives from the Institute sit on the Board of the NAC to provide advice or comment on accounting standards matters.</p> <p>Cambodia has already adopted a two-tier accounting framework; namely the Cambodian International Financial Reporting Standards (CIFRS) and Cambodian International Financial Reporting Standards for SMEs (CIFRS for SMEs). Both standards are fully based on international standards published by the IASB including related interpretation and future amendments which may occur in any circumstances.</p> <p>Public accountable entities are required to prepare their financial statements under CIFRS for the period beginning on or after January 2012. Those entities which do not have public accountabilities but are subjected to statutory audit are required to comply with CIFRS for SME from 01 January 2010.</p> <p><i>Use best endeavors to encourage the adoption and implementation of international standards</i></p>					

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#	Start Date	Actions	Completion Date	Responsibility	Resource
52.	Jan 2009	Issue an announcement to fully adopt IFRS for entities that have public accountability, and IFRS for SMEs for those entities that do not have public accountability but have audit obligation.	Jan 2012	NAC members	NAC/MEF
53.	August 2009	Promote the need for an ongoing translation process.	Ongoing	NAC Secretariat	NAC/MEF
54.	Jan 2012	Continue to monitor the adoption of CIFRS and CIFRS for SMEs. Work closely with the Government to establish a company registrar or equivalent body where statutory audited financial statements are to be housed.	Ongoing	NAC Secretariat	NAC/MEF
<i>Maintaining ongoing processes</i>					
55.	Ongoing	Use best endeavors in identifying opportunities to further assist implementation of IFRS. This includes a review of existing activities and updating the Action Plan for the future activities where necessary.	Ongoing	NAC Secretariat	NAC/MEF
<i>Review of KICPAA's compliance information</i>					
56.	Ongoing	Perform periodic review of KICPAA'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 to republish updated information.	Ongoing	GC	GC

