

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.

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:	INSTITUTE OF CHARTERED ACCOUNTANTS OF NAMIBIA
Approved by Governing Body:	<i>COUNCIL</i>
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Glossary

CPD	Continuing Professional Development
IAASB	International Auditing and Assurance Standards Board
IAESB	International Accounting Education Standards Board
IASB	International Accounting Standards Board
IESBA	International Ethics Standards Board of Accountants
IFRS	International Financial Reporting Standards
IPSAS	International Public Sector Accounting Standards
ISA	International Auditing Standards
IRBA	Independent Regulatory Board for Auditors
PAAB	Public Accountant and Auditor Board
SAICA	South African Institute of Chartered Accountants

Action Plan Subject: SMO 1 – Quality Assurance
Action Plan Objective: Develop and maintain ICAN Quality Assurance Review System in accordance with SMO 1 requirements

#	Start Date	Actions	Completion Date	Responsibility	Resource
<p><i>Background:</i></p> <p>ICAN members carrying out assurance and attest services have been subject to Engagement Quality reviews since 1996. The Namibian Public Accountants and Auditors Board (PAAB) has legal responsibility for monitoring and maintaining the quality of attest services provided by Registered Auditors such as establishing a Quality Assurance (QA) review system. From 2007 to 2011, the Namibian Minister of Finance has failed to appoint Board members to Constitute a Namibian PAAB notwithstanding requests and reminders from ICAN to the Minister to do so. As a consequence, QA reviews were conducted by the South African Independent Regulatory Board for Auditors (previously the South African Public Accountants and Auditors Board) up to 2009. During 2010 ICAN contracted Protect-a-Partner (Pty) Ltd (a South African enterprise specialising in Quality Assurance Reviews) to carry out Firm and Engagements reviews.</p> <p>The Quality Assurance Committee (QAC) is a sub-committee of the ICAN. The QAC provides oversight over the Quality Assurance (QA) processes and results. The QAC is supported by a sub-committee called the Quality Assurance Review Panel (QARP). The QARP receives and reviews the reports from the quality assurance reviewers. The QARP makes recommendations on the outcomes of the reviews to the QAC, with the QAC being the final arbiter of the outcome and actions (sanctions and remedial actions required).</p> <p>The objective of file reviews is to inspect the design and implementation of an audit firm’s system of quality control. Engagements subject to review are audits of financial statements. For firm reviews the control system elements are leadership responsibilities, ethical requirements, client acceptance and continuance, human resources, engagement performance and monitoring. The objective of firm reviews is to inspect the design and implementation of an audit firm’s system of quality control.</p> <p>Engagements subject to review are audits of financial statements. For firm reviews the control system elements are leadership responsibilities, ethical requirements, client acceptance and continuance, human resources, engagement performance and monitoring. The results of the QA reviews are summarized and documented in a prescribed format by the QA reviewer and submitted to the QARP for evaluation.</p>					

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<p>A risk assessment of firms and practitioners as well as the results of the QA will be used to determine the frequency of practice reviews between 1 and 5 years. High risk firms (firms which have not achieved a satisfactory review result) are reviewed annually. Firms not showing meaningful progress or improvement during a second re-review will also be subject to sanctions which can include de-registration as a Registered Auditor / Firm. Firms with satisfactory reviews are reviewed every 3 years or 5 years, depending on the classification of the firm and practitioner's attest portfolio.</p> <p>The reviewed firms are required to submit the findings to the QARP. The QARP evaluates the results and consults with the QA reviewer where necessary in order to make the necessary recommendations to the QAC. The QAC considers the recommendations of the QARP and determines the appropriate outcome, sanctions and remedial actions as may be required.</p>					
<i>Ensure the Quality assurance review system is in line with the requirements of SMO 1</i>					
1.	Ongoing	Remind Minister of Finance to appoint PAAB in compliance with Public Accountants and Auditors Act, Act 51 of 1951.	Completed	ICAN CEO	Cooperation of Minister of Finance to Appoint Board.
2.	Once Board is appointed	Engage Board on SMO 1 requirements.	Three months after Board appointment	ICAN CEO	Seminar for Board on SMOs
3.	August 2010	Firm and Engagement reviews carried out bi-annually by Protect-a-Partner.	Ongoing	ICAN CEO	Protect-A-Partner (PTY) LTD
<i>Maintaining Ongoing Processes</i>					
4.	August 2010	Monitor and review developments in respect of the International Standards on Quality Control (ISQC) 1 and to ensure own methodology continues to meet requirements.	Ongoing	ICAN CEO	Quality Assurance Committee
5.	Ongoing	Continue to assist ICAN members in	Ongoing	ICAN CEO	Quality Assurance

#	Start Date	Actions	Completion Date	Responsibility	Resource
		implementing ISQC 1 by updating implementation guidance and providing CPD courses.			Committee / Education and Training Committee
6.	Ongoing	Continue to ensure that ICAN's QARP is operating effectively and continues to be in line with SMO 1 requirements	Ongoing	ICAN CEO	Quality Assurance Committee
<i>Review of ICAN's Compliance Information</i>					
7.	Ongoing	Perform periodic review of ICAN's response to the IFAC Compliance Self-assessment questionnaires and update sections relevant to SMO1 as necessary. Once updated inform IFAC compliance staff about the updates in order for the Compliance staff to republish updated information	Ongoing	ICAN CEO	Quality Assurance Committee.

Action Plan Subject: SMO 2 – International Education Standards for Professional Accountants and other IAESB Guidance
 Action Plan Objective: To ensure compliance of education system in line with International Education Standards

#	Start Date	Actions	Completion Date	Responsibility	Resource
<p><i>Background:</i></p> <p>In 1990, the Board, after negotiating a reciprocity agreement with the then South African Public Accountants and Auditors Board resolved to adopt the training regulations and examinations of the South African Public Accountants and Auditors Board. At the same time ICAN also negotiated a reciprocity agreement with the South African Institute of Chartered Accountants which had the primary objective of giving mutual recognition to the members of the other Institute. The negotiating of these agreements was the recognition by the Namibian PAAB and the Council of ICAN that with a total membership of 92 Chartered Accountants it was not practical for the Board to set examinations or training regulation and maintain internationally recognized standards. Since that time, ICAN has applied and followed the training model (practical experience requirements included) of SAICA. This includes not only the practical experience requirements but also the writing of the SAICA qualifying examinations without local modification.</p> <p>The qualifications for admission to the Institute shall be one of the following:</p> <ul style="list-style-type: none"> (a) proof to the satisfaction of the Council that the applicant has passed the examinations prescribed by the Public Accountants' and Auditors' Act and has had the practical experience under Articles of Clerkship in the business of a public accountant required by the Public Accountants' and Auditors Act; or (b) proof to the satisfaction of the Council that the applicant has: <ul style="list-style-type: none"> (1) served outside Namibia under Articles of Clerkship in the accountancy business of a public accountant as defined herein who is a member of a body of public accountants having, in the opinion of the Council, conditions for the admission of members similar to this Institute and which is legally incorporated outside Namibia, for a period at least equal to that which would be required from an Articled Clerk under the Public Accountants' and Auditors Act; and (2) passed such examinations as would entitle him to register as a Registered Accountant and Auditor in terms of the Public Accountants' and Auditors Act; or 					

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		<p>(3) if the application is for admission as a non-resident member, proof by the applicant that he is registered as a non-resident Accountant and Auditor under Section 23(4)bis of the Public Accountants' and Auditors Act and was so registered by virtue of his membership of such organised body of Accountants and Auditors as may have been recognised by the Council for this purpose; or</p> <p>(4) if the application is for admission as an affiliate member proof by the applicant that he is resident in Namibia and is a member in good standing of an organised body of Accountants and Auditors recognised by the Council for this purpose. To date no applications for affiliate membership have been received or considered by the ICAN Council.</p> <p>A candidate to ICAN membership must also complete a post graduate course in accounting, auditing, tax and financial management. These post graduate courses are offered by South African universities which have been accredited by the South African Institute of Chartered Accountants (SAICA) and PAAB. In terms of these criteria, ICAN relies on the PAAB examinations and the practical experience under Articles of Clerkship which the PAAB determines (between three and five years depending on the academic qualifications of the trainee when commencing a traineeship). The examinations required by the Namibian PAAB are the South African SAICA and IRBA examinations and these are presented by the Namibian PAAB in accordance with the requirements of SAICA and the IRBA. SAICA and IRBA mark the Namibian candidate scripts and provide the results to the Namibian PAAB.</p> <p>ICAN members must satisfy a minimum of 120 hours or equivalent learning units of relevant professional development activity over a three-year rolling period.</p> <p>Since 2007 the Namibian Minister of Finance has failed to appoint Board members to Constitute a Namibian PAAB notwithstanding requests and reminders from ICAN to the Minister to do so. As a consequence ICAN has established an Education and Training Committee to oversee and monitor compliance with training regulations. This Committee is chaired by a member of the ICAN Council and reports directly to the Council.</p>			
<i>Continue to use best endeavors to ensure that all IES requirements are incorporated into the Namibian professional education system</i>					
8.	Ongoing	ICAN Education and Training Committee monitors the application of the SAICA training model.	Ongoing	Education and Training Committee	Education and Training Committee
9.	Ongoing	Monitor International Education Standards (IES)	Ongoing	Education and	Education and Training

#	Start Date	Actions	Completion Date	Responsibility	Resource
		requirements in relation to the SAICA training model and provide comment to SAICA, as needed.		Training Committee	Committee
<i>Maintaining Ongoing Processes</i>					
10.	Ongoing	Pronouncements by the International Accounting Education Standards Board (IAESB) are monitored to ensure that practical experience requirements are in line with the pronouncements.	Ongoing	Education and Training Committee	Education and Training Committee
11.	Ongoing	Three yearly review of training offices for compliance with SMO 2 requirements (reviews may be conducted more frequently if there are deficiencies that need to be addressed taking into consideration the nature and seriousness of the deficiencies).	Ongoing	Education And Training Committee	Independent SAICA Accredited Training Office Assessor
12.	Ongoing	Annual training for Accredited Training Officers	Ongoing	Education And Training Committee	Independent SAICA Accredited Training Officer Trainer.
13.	Ongoing	Ensure through periodic reviews, that the Entry Requirements, Professional Education, Final Assessments, and Practical Experience, and Continuing Education currently developed and designed, are updated with the new requirements issued by the IAESB.	Ongoing	Education and Training Committee	Education and Training Committee
<i>Review of ICAN's Compliance Information</i>					
14.	Ongoing	Perform periodic review of ICAN's response to the IFAC Compliance Self-assessment	Ongoing	ICAN CEO	Education and Training committee.

#	Start Date	Actions	Completion Date	Responsibility	Resource
		questionnaires and update sections relevant to SMO 2 as necessary. Once updated inform IFAC compliance staff about the updates in order for the Compliance staff to republish updated information.			

Action Plan Subject: SMO 3 – IAASB Pronouncements
 Action Plan Objective: Ongoing adoption and implementation IAASB Pronouncements

#	Start Date	Actions	Completion Date	Responsibility	Resource
<p><i>Background:</i></p> <p>ICAN has adopted all International Standard of Auditing (ISAs) as issued by the International Auditing and Assurance Standards Board (IAASB) in January 2007. This is a standing adoption and all new IAASB pronouncements are adopted as and when they are effective. There is no time lag between IAASB pronouncements and their Namibian adoption.</p> <p>ICAN has a Technical committee which receives queries from members on matters of a technical nature. This Committee considers such requests and where the requests are considered to indicate the need for general guidance to members then the Committee will prepare a Circular for issue to members. All Circulars are presented to the Council of ICAN for approval prior to issue.</p> <p>The Technical Committee has membership representative of the profession, users of financial statements and other accounting bodies established in Namibia.</p> <p>In addition ICAN offers annual Continuing Professional Development (CPD) training seminars which deal with both IASB and IAASB pronouncements at regular intervals during the year to ensure that members are informed about these pronouncements. Members have been informed of the Guide to Using International Standards on Auditing in the audits of Small and Medium Sized Entities which should further assist them in implementing the standards.</p>					
<i>Continuing to Adopt and Implement IAASB Pronouncements in an Ongoing Manner</i>					
15.	Ongoing	Pronouncements adopted as and when issued by IAASB (Applying same effective date as IAASB).	Ongoing	Technical Committee	Council
16.	Ongoing	Prepare a quarterly summary of all technical pronouncements issued by IFAC and place on ICAN website along with copies of the IFAC	Ongoing	Secretariat	Executive: projects and development

#	Start Date	Actions	Completion Date	Responsibility	Resource
		announcements so that these can be accessed / downloaded by members or the public.			
17.	Ongoing	ICAN provides Ongoing CPD training to all members offering assurance and attest services to the public at least annually unless volume or frequency of pronouncements requires additional CPD training.	Ongoing	Council	Independent Accredited Trainers.
<i>Maintaining Ongoing Processes</i>					
18.	Ongoing	IAASB exposure drafts considered by Technical Committee and where necessary comments are submitted to IAASB.	Ongoing	ICAN CEO	Technical Committee
19.	October 2011	Issue half-yearly update bulleting to Central Bank, Regulator of Non-Banking Financial Institutions and Chamber of Commerce on pronouncements of IAASB.	Ongoing	ICAN CEO	Technical Committee
20.	Ongoing	Continue to ensure that ISAs are adopted as issued by the IAASB.	Ongoing	ICAN CEO	Technical Committee
21.	Ongoing	Continue to identify 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	ICAN CEO	Technical Committee
<i>Review of ICAN's Compliance Information</i>					
22.	Ongoing	Perform periodic review of ICAN's response to the IFAC Compliance Self-assessment questionnaires and update sections relevant to SMO3 as necessary. Once updated inform IFAC	Ongoing	ICAN CEO	Technical Committee

#	Start Date	Actions	Completion Date	Responsibility	Resource
		compliance staff about the updates in order for the Compliance staff to republish updated information.			

Action Plan Subject: SMO 4 – IESBA Code of Ethics
Action Plan Objective: Adopting the Current IESBA Code of Ethics

#	Start Date	Actions	Completion Date	Responsibility	Resource
<i>Background:</i>					
ICAN adopted the Code of Ethics of the International Ethics Standards Board of Accountants (IESBA) in 2007. At its meeting of September 22, 2010 the Council of ICAN adopted the current (July 2009) IESBA Code of Ethics with effective date 1 January 2011. The Council further confirmed its policy decision that all the pronouncement issued by the Independent Standard Setting Boards supported by IFAC and the International Accounting Standards Board (IASB) are adopted as and when issued by the relevant entities.					
<i>Ensure effective implementation of the IESBA Code of Ethic</i>					
23.	October 2010	ICAN presented a CPD workshop covering new (2009) Code of Ethics to all members.	Completed	ICAN CEO	Independent Trainer Contracted For Training.
<i>Maintaining Ongoing Processes</i>					
24.	Ongoing	ICAN Council monitors enquiries from members on IESBA pronouncements relating to Code of Ethics to determine whether updates or additional training is required for members.	Ongoing	ICAN CEO	Council / External Trainers
25.	Ongoing	Continue to support ongoing adoption and implementation of the IESBA Code of Ethics. This includes review of the implementation of the Action Plan to date and updating the Action Plan for future activities as necessary.	Ongoing	ICAN CEO	ICAN Council
<i>Review of ICAN's Compliance Information</i>					

#	Start Date	Actions	Completion Date	Responsibility	Resource
26.	Ongoing	Perform periodic review of ICAN'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 the Compliance staff to republish updated information.	Ongoing	ICAN CEO	Council

Action Plan Subject: SMO 5 – International Public Sector Accounting Standards and Other IPSASB guidance
Action Plan Objective: Adoption of IPSAS by Government of the Republic of Namibia

#	Start Date	Actions	Completion Date	Responsibility	Resource
<i>Background:</i>					
<p>ICAN is not responsible for developing reporting standards for national and local government institutions. In 2008, ICAN provided training to the National Assembly (Parliamentary) Standing Committee on Public Accounts during which the adoption of International Public Sector Accounting Standards (IPSASs) was promoted to the Members of Parliament that constitute the Public Accounts Committee. It should be noted that the 21st conference of Commonwealth Auditors General was held in Windhoek, Namibia in July 2011, hosted by the Auditor General of Namibia. One of the key points which were raised during the conference was the necessity for the Government represented to strengthen financial management in the public sector through the adoption of IPSASs.</p>					
<i>Promote the Adoption of IPSAS</i>					
27.	October 2011	ICAN will engage the Accountant General, Auditor General and the Standing Public Accounts Committee on the adoption of IPSAS.	Ongoing	ICAN CEO	ICAN Council
28.	January 2012	Since the Government has not adopted the IPSASs, the ICAN will focus on raising awareness of IPSAS's, the impact of their use around the world and the progress that has been made particularly in the Africa region, subsequent to their adoption, reflecting the possible benefits of their adoption and the implementation in Namibia.	Ongoing	ICAN CEO	ICAN Council
<i>Maintaining Ongoing Processes</i>					
29.	Ongoing	Continue to identify opportunities to promote to	Ongoing	ICAN CEO	ICAN Council

#	Start Date	Actions	Completion Date	Responsibility	Resource
		relevant authorities the implementation of ISPASs. This includes review of the existing activities and preparation of the Action Plan for future activities where necessary.			
<i>Review of ICAN's Compliance Information</i>					
30.	Ongoing	Perform periodic review of ICAN's response to the IFAC Compliance Self-assessment questionnaires and update sections relevant to SMO5 as necessary. Once updated inform IFAC compliance staff about the updates in order for the Compliance staff to republish updated information.	Ongoing	ICAN CEO	ICAN Council

Action Plan Subject: SMO 6 – Investigation and Discipline
 Action Plan Objective: Ensure Investigation and Disciplinary processes comply with requirements of SMO 6.

#	Start Date	Actions	Completion Date	Responsibility	Resource
<p><i>Background:</i></p> <p>Since 2007 the Disciplinary Committee has been chaired by an independent legal practitioner. The Investigation and Discipline (I&D) procedure is based on information that arises from the QA review system and the ICAN mandatory monitored CPD program. Complaints are generally received from members of the public or clients of audit firms.</p> <p>One committee investigates the complaint and a separate committee administers disciplinary action. Both Investigation and Disciplinary committees are equally composed of auditors and non-auditors. This ensures that independent input is obtained in both processes of investigation and disciplinary hearings. The I&D system allows appeal only outside of the disciplinary Committee through the legal system.</p>					
<p><i>Review of the Investigation and Disciplinary Procedure</i></p>					
31.	March 2011	Review of ICAN Investigation and Disciplinary processes done by Independent Advocate of the High Court. Constitutional changes incorporating the recommendations by the Advocate were adopted by the Institute at the April 2011 Annual General Meeting.	April 2011 Completed	ICAN Council	Annual general meeting.
32.	August 2011	Place copy of revised constitution on the ICAN website.	September 2011	ICAN CEO	ICAN website
33.	April 2011	Implement actions needed to ensure ICAN I & D compliance with SMO 6, as needed.	March 2012	ICAN Council	ICAN CEO / Secretariat

#	Start Date	Actions	Completion Date	Responsibility	Resource
<i>Maintaining Ongoing Processes</i>					
34.	October 2011	Bring to attention of Council the SMO 6 requirement relating to opening Disciplinary Proceedings to the Public.	Ongoing	ICAN CEO	ICAN Council
35.	Ongoing	Continue to ensure that ICAN's investigation and disciplinary mechanism continues to address all SMO 6 requirements. This includes review of the existing mechanism and updating the Action Plan for future activities where necessary.	Ongoing	ICAN CEO	ICAN Council
<i>Review of ICAN's Compliance Information</i>					
36.	Ongoing	Perform periodic review of ICAN's response to the IFAC Compliance Self-assessment questionnaires and update sections relevant to SMO6 as necessary. Once updated inform IFAC compliance staff about the updates in order for the Compliance staff to republish updated information.	Ongoing	ICAN CEO	ICAN Council

Action Plan Subject: SMO 7 – International Financial Reporting Standards
Action Plan Objective: Adopt and implement as issued by IASB

#	Start Date	Actions	Completion Date	Responsibility	Resource
<i>Background:</i>					
Since January 2005, ICAN Council adopted all International Financial Reporting Standards (except for IFRS 1). In January 2008, ICAN adopted IFRS 1 ensuring that ICAN further meets SMO 7 requirements. In addition, ICAN Council adopted IFRS for SMEs on February 17, 2010. All pronouncements by IASB are adopted on the effective date as prescribed by the IASB.					
<i>Ensuring Proper implementation of International Financial Reporting Standards</i>					
37.	Ongoing	Prepare a quarterly summary of all technical pronouncements issued by IASB and place on ICAN website along with copies of the announcements so that these can be accessed / downloaded by members or the public.	Ongoing	Secretariat	Executive: projects and development
38.	Ongoing	ICAN provides Ongoing CPD for all members at least bi-annually covering all new developments and pronouncements by the IASB.	Ongoing	ICAN CEO	External IFRS Trainers
<i>Maintain Ongoing Processes</i>					
39.	Ongoing	Continue to ensure that IFRS are adopted as issued by the IASB.	Ongoing	ICAN CEO	ICAN Council
40.	Ongoing	Continue to identify opportunities to further assist in implementation of IFRS. This includes review of the existing activities and updating the Action Plan for the future activities where necessary	Ongoing	ICAN CEO	ICAN Council
<i>Review of ICAN's Compliance Information</i>					
41.	Ongoing	Perform periodic review of ICAN's response to	Ongoing	ICAN CEO	ICAN Council

#	Start Date	Actions	Completion Date	Responsibility	Resource
		the IFAC Compliance Self-assessment questionnaires and update sections relevant to SMO7 as necessary. Once updated inform IFAC compliance staff about the updates in order for the Compliance staff to republish updated information.			