

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 the Part 1 Assessment of the Regulatory and Standard-Setting Framework Questionnaire and Part 2 SMO Self- Assessment Questionnaire for background information on each member and associate their environment and existing processes. These responses may be viewed at: http://www.ifac.org/ComplianceAssessment/published_surveys.php

Use of Information

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

ACTION PLAN

IFAC Member:	New Zealand Institute of Chartered Accountants
Original Publish Date:	May 2009
Last Updated:	May 2011
Next Update:	May 2012

Action Plan Subject: SMO 1 - Quality Assurance (Practice Review)

Action Plan Objective: Continue to ensure an effective quality review program is in place for all members offering accounting services to the public and in particular offering assurance services

#	Start Date	Actions	Completion Date	Responsibility	Resource
<i>Background:</i>					
<p>Quality assurance is one of the Institute's key functions. The Institute and the Chartered Accountant (CA) brand represent quality, integrity and the adoption and application of professional standards. The Institute has an obligation to the public to ensure that members practice in a manner consistent with these values. The Institute also has an obligation to its members to ensure that the CA brand continues to have relevance and maintains its value to members and the marketplace.</p> <p>The practice review programme is one quality assurance process that the Institute uses to ensure its members continue to be competent, act with integrity and comply with professional and technical standards. It is both educational and compliance focused. More information about the Practice Review can be found in the relevant section on NZICA's website www.nzica.com</p>					
<i>Quality Control Standards and Guidance</i>					
1.	Ongoing	Influence XRB's guidelines for Quality Control in SMPs	Ongoing	Director Practice Review	Practice Review Unit
<i>Design of the Quality Assurance Review Program</i>					
2.	Ongoing	The Policies and Procedures Manual is regularly revised and is available on the Institute's web page.	Ongoing	Director Practice Review	Practice Review Unit
<i>Reporting</i>					

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3.	Ongoing	The above revisions are now reflected in our Final Assessment Report. Exceptions are reported to the member and are included in the Draft Review Report sent to the member(s).	Ongoing	Director Practice Review	Practice Review Unit
<i>New Developments</i>					
4.	Ongoing	Develop and work on a revised approach to ensure that the Institute reacts appropriately to market risks.	Ongoing	Director Practice Review	Practice Review Unit
5.	Ongoing	Give consideration as to whether it is practical or feasible to introduce quality assurance for members who are not in Public Practice.	Ongoing	Director Practice Review	Practice Review Unit
6.	Ongoing	Refer generic information on Practice Review issues to Professional Development, so as to ensure training.	Ongoing	Director Practice Review	Practice Review Unit
7.	Ongoing	Give consideration to means of improving communication to members in relation to matters arising in reviews, so as to improve compliance.	Ongoing	Director Practice Review	Practice Review Unit
<i>Review of NZICA Compliance Information</i>					
8.	Ongoing	Complete periodic review to IFAC Compliance Self-Assessment questionnaire and update sections relevant to SMO-1 if required. Assess any proposed changes against the requirements of IFAC.	Ongoing	Director Practice Review	Practice Review Unit

Action Plan Subject: SMO 2 - International Education Standards for Professional Accountants and Other IAESB Guidance
Action Plan Objective: Continue to use best endeavors to ensure NZICA Chartered Accountants' education and training continues to comply with IES requirements

#	Start Date	Actions	Completion Date	Responsibility	Resource
<i>Background:</i>					
Detailed information about NZICA's professional education requirements, CPD and training can be found in the relevant section on the NZICA's website www.nzica.com					
<i>Endeavour to ensure compliance of New Zealand Chartered Accountants with IES 8</i>					
9.	Oct 07	Ensure NZICA's pre and post admissions education and experience policy comply with IES 8 in the context of NZ government's framework for the oversight of auditors affecting current and future CA members who perform (statutory) audits.	Aligning with Government regulations based on EU directives	CE, GM Compliance, Quality & General Counsel and GM CA Program & Admissions	NZICA Board and appropriate committees, staff of the Membership and Compliance & Quality Divisions of NZICA
10.		Monitoring of NZ government initiatives to take greater role in regulation of auditors. Have completed this phase of input into the shape of the statutory oversight and role of NZICA.	March 2011 Completed		
<i>New Developments</i>					

#	Start Date	Actions	Completion Date	Responsibility	Resource
11.	Ongoing	For all IESs: Continue to ensure new developments to CA pre and post qualification education and training are consistent with IESs.	Ongoing	CE, GM Member Services & Support, GM CA Program & Admissions	NZICA Board and appropriate committees, staff of the Membership and Professional Development teams of NZICA
12.	July 08	IES 7: Implemented a combination approach and required members to retain detailed CPD records.	July 2010 Completed		Completed
13.		2010 Academic Policy: Implemented changes to the tertiary component of the admissions policy. More explicit learning outcomes for the advanced courses.	January 2010 Completed		Completed
<i>Review of NZICA Compliance Information</i>					
14.	Ongoing	Perform periodic review of NZICA response to IFAC Compliance Self- Assessment questionnaire and update sections relevant to SMO 2 as necessary	Ongoing	CE and GM CA Program & Admissions	Staff of Membership Division of NZICA

Action Plan Subject: SMO 3 - International Standards, Related Practice Statements and Other Papers Issued by the IAASB
Action Plan Objective: To continue using best endeavors to maintain an ongoing process to adopt ISAs and assist in the implementation of the adopted standards.

#	Start Date	Actions	Completion Date	Responsibility	Resource
<p><i>Background:</i></p> <p>NZICA's membership obligations as a member of IFAC to achieve international convergence with International Standards issued by IFAC's constituent Boards and Committees are reflected in the PSB's policy aims and work programme. For many years the PSB followed a policy of international harmonisation, basing national standards produced for application in New Zealand on equivalent international pronouncements (where those existed). In December 2005 the PSB made a decision to adopt International Standards issued by the IAASB. The PSB has now adopted all ISAs as ISAs (NZ), ISAE 3000 and ISQC-1 has been incorporated into the New Standard on Quality Control.</p> <p>The PSB plays an important participative role in the international standard setting activities of the IAASB. This participation takes the form of the contributions the PSB makes as a member of the IAASB's National Standards Setting Group. Also, the PSB regularly makes submissions to the IAASB and the IESBA on proposed new standards and guidelines as these are developed for issue as International Standards. This participation becomes increasingly important to ensure that New Zealand contributes a strong and effective voice in this international standards setting forum. The PSB aligns much of its standards setting work programme with that of the IAASB.</p> <p>The setting of auditing and assurance standards is expected to become the responsibility of a new statutory body – the External Reporting Board – in the middle of 2011. The comments below relating to the setting of standards are only relevant until then.</p>					
<p><i>Maintain existing process</i></p>					
15.	Ongoing	Maintenance of convergence: clarified ISAs adopted as ISAs (NZ) and continuing convergence of all other IAASB standards and guidance.	Ongoing	PSB and Director – Professional Standards	PSB members and Staff of Professional Standards Business Unit

16.	Ongoing	<p>Notify members and other interested parties of all IAASB consultation papers and exposure drafts as they are released</p> <p>Prepare a submission to the IAASB on all consultation papers and exposure drafts within the specified comments period</p>	<p>Ongoing</p> <p>Ongoing</p>	<p>PSB and Director – Professional Standards</p>	<p>PSB members and Staff of Professional Standards Business Unit</p>
<i>Review of NZICA Compliance Information</i>					
17.	Ongoing	<p>Perform periodic review of NZICA response to IFAC Compliance Self- Assessment questionnaire and update sections relevant to SMO 3 as necessary</p>	<p>Ongoing</p>	<p>CEO and GM – Membership/ Standards and Quality Assurance</p>	<p>Staff of Professional Standards Business Unit</p>

Action Plan Subject: SMO 4 - IESBA Code of Ethics for Professional Accountants
Action Plan Objective: To continue to use best endeavors to adopt the IESBA Code of Ethics

#	Start Date	Actions	Completion Date	Responsibility	Resource
<i>Background:</i>					
<p>NZICA has a statutory responsibility to promote quality, expertise and integrity in the profession of accountancy by its members and to promote, control, and regulate the profession of accountancy by its members in New Zealand. The Institute of Chartered Accountants of New Zealand Act 1996, s7(1) requires the Institute to "always have a Code of Ethics that governs the professional conduct of its members". NZICA has a process in place to converge its Code with the IESBA Code of Ethics.</p>					
<i>Maintain existing process</i>					
18.	February 2009	Compare IESBA Code of Ethics for Professional Accountants with NZICA's Code of Ethics for areas of difference and develop amendments to ensure that the New Zealand Code is no less stringent than the IESBA Code.	December 2011	PSB and Director – Professional Standards	Staff of Professional Standards Business Unit
<i>Review of NZICA Compliance Information</i>					
19.	Ongoing	Perform periodic review of NZICA response to IFAC Compliance Self- Assessment questionnaire and update sections relevant to SMO 4 as necessary.	Ongoing	CEO and GM – Membership/ Standards and Quality Assurance	Staff of Professional Standards Business Unit

Action Plan Subject: SMO 5 - International Public Sector Accounting Standards and Other IPSASB Guidance
Action Plan Objective: Review application of IPSASs in New Zealand

#	Start Date	Actions	Completion Date	Responsibility	Resource
<i>Background:</i>					
Until the External Reporting Board is established in mid-2011, the Financial Reporting Standards Board (FRSB) is responsible for developing financial reporting standards in New Zealand. These standards apply to entities preparing general purpose financial statements in accordance with generally accepted accounting practice. Developing New Zealand standards, the FRSB is mindful of the work of the IPSASB, but has retained a commitment to transaction- neutral standards based on IFRSs with additional material relevant to public benefit entities.					
<i>Maintain existing processes</i>					
20.	Ongoing	Issue IPSASB discussion documents for comment and notify members and other interested parties in same time frame as IPSASB. Comment where appropriate.	Ongoing	FRSB	Accounting Standards staff
21.	Ongoing	Support NZ IPSASB member by providing Technical Assistance.	Ongoing	Director- Accounting Standards	Accounting Standards staff
<i>Review of NZICA's Compliance Information</i>					
22.	Ongoing	Perform periodic review of NZICA response to IFAC Compliance Self- Assessment questionnaire and update sections relevant to SMO 5 as necessary.	Ongoing	CEO and GM – Membership/ Standards and Quality Assurance	Accounting Standards staff

Action Plan Subject: SMO 6 - Investigation and Discipline

Action Plan Objective: Continue to use best endeavours to maintain the operation of a just and effective investigative and disciplinary regime that is in line with the requirements of SMO 6.

#	Start Date	Actions	Completion Date	Responsibility	Resource
<i>Background:</i>					
<p>NZICA's complaints and disciplinary process is mainly concerned with governing its members and the profession. NZICA does not have the powers of a court of law and can therefore not uphold the claims individuals may be able to make in a court or to provide individuals with the remedies that a court may be able to provide them. NZICA's jurisdiction is limited to the discipline of its members for any breach of NZICA's Rules or Code of Ethics. In those circumstances where a complainant seeks recovery of monies in dispute or damages, the alternative civil or legal action will need to be pursued separately. Information on making a complaint about a Chartered Accountant is available, along with a complaint form. Also available is the booklet The Complaints Process which gives some background to the actual complaint process.</p>					
<i>Maintain existing processes</i>					
23.	October 2008	Implement the findings of a recent external review of our professional conduct and disciplinary processes through changes to NZICA's Rules and operational practices.	Completed by June 2010	Director – Professional Conduct	Professional Conduct Staff and legal counsel
24.	Ongoing	Ensure our processes continue to comply with natural justice	Ongoing	Director – Professional Conduct	Professional Conduct Staff and legal counsel
<i>New Developments</i>					
25.	December 2008	Updating the notes provided to Disciplinary Tribunal members	Update completed at September 2009	Director – Professional Conduct	Legal assessor to the Disciplinary Tribunal
<i>Review of NZICA Compliance Information</i>					

#	Start Date	Actions	Completion Date	Responsibility	Resource
26.	Ongoing	Ensure that any material changes to our processes comply with the requirements as set by IFAC	Ongoing	Director – Professional Conduct	Professional Conduct Staff and legal counsel

Action Plan Subject: SMO 7 - International Financial Reporting Standards

Action Plan Objective: Continue to use best endeavors to ensure that NZ IFRSs continue to apply to entities with public accountability

#	Start Date	Actions	Completion Date	Responsibility	Resource
<i>Background:</i>					
<p>Until the External Reporting Board is established in mid-2011, the Financial Reporting Standards Board (FRSB) is responsible for developing financial reporting standards in New Zealand. These standards apply to entities preparing general purpose financial statements in accordance with generally accepted accounting practice. The FRSB's activities include developing New Zealand equivalents to International Financial Reporting Standards issued by the International Accounting Standards Board (IASB). The FRSB also develops New Zealand equivalents to interpretations issued by the International Financial Reporting Interpretations Committee. In addition, the FRSB develops additional standards and/or guidance for New Zealand entities, as necessary, such as guidance for public benefit entities.</p>					
<i>Maintain existing processes</i>					
27.	Ongoing	Issue IASB discussion documents for comment and notify members and other interested parties in same time frame as IASB. Comment where appropriate	Ongoing	FRSB	Accounting Standards staff
28.	Ongoing	Support application of NZ IFRSs by providing professional development and other implementation support.	Ongoing	General Manager - Member Services and Support	Member Services staff
<i>Review of NZICA's Compliance Information</i>					
29.	Ongoing	Perform periodic review of NZICA response to IFAC Compliance Self- Assessment questionnaire and update sections relevant to SMO 7 as necessary	Ongoing	CEO and GM – Membership/ Standards and Quality Assurance	Accounting Standards staff