

BACKGROUND NOTE ON ACTION PLANS

Action Plans are developed by IFAC members and associates to address policy matters identified through their responses to the IFAC Compliance Self-Assessment Questionnaires. They form part of a continuous process within the IFAC Member Body Compliance Program to support the ongoing development and improvement of the accountancy profession around the world.

Action Plans are prepared by members and associates for their own use based on the national frameworks, priorities, processes and challenges specific to each jurisdiction. As such, they will vary in their objectives, content and level of detail, consistent with their differing national environments and stages of development, and will be subject to periodic review and update.

Refer to responses to the Part 1 Assessment of the Regulatory and Standard-Setting Framework Questionnaire and Part 2 SMO Self-Assessment Questionnaire 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/Associate:	Pakistan Institute of Public Finance Accountants (PIPFA)
Approved by Governing Body:	Board of Governors, PIPFA
Date Approved:	August 2011
Date Published:	September 2011

GLOSSARY:

AGP	Auditor General of Pakistan
BOG	Board of Governors
BOS	Board of Studies
EC	Examination Committee
EDC	Education Committee
I & D	Investigation & Disciplinary Committee
IAASB	International Auditing and Assurance Standards Board
IAESB	International Accounting Education Standards Board
IASB	International Accounting Standards Board
ICAP	Institute of Chartered Accountant of Pakistan
ICMAP	Institute of Cost and Management Accountants of Pakistan
IES	International Education Standards
IFRIC	International Financial Reporting Interpretations Committee
IFRS	International Financial Reporting Standards
IPSAS	International Public Sector Accounting Standards
IPSASB	International Public Sector Accounting Standards Board
ISA	International Standards on Auditing
P&S	Publication & Seminar Committee
SECP	Securities Exchange Commission of Pakistan

Action Plan Subject: SMO 1 - Quality Assurance

Action Plan Objective: To further investigate how PIPFA can use best endeavors to support Quality Assurance in Pakistan

#	Start Date	Actions	Completion Date	Responsibility	Resource
<i>Background:</i>					
Under Companies Ordinance 1984, only members of the Institute of Chartered Accountants of Pakistan (ICAP) can audit the Financial Statement of listed Companies. PIPFA members do not perform audits of financial statements.					
PIPFA assists its members in improving the quality of their work by regularly communicating with students and members to update them on the changes and latest developments from IFAC and recommending that the concerned committees adapt where required.					
<i>Supporting Quality Assurance</i>					
1.	September 2011	Review the requirements of SMO1 and consider the extent to which PIPFA can work with ICAP to play a role in supporting Quality Assurance of auditors in Pakistan.	September 2012	Publication & Seminar Committee, Board of Governors (BOG)	Member Department
<i>Supporting Quality Assurance</i>					
2.	January 2012	Consider how PIPFA can enhance the Quality Assurance support that it provides its own members.	September 2012	Publication & Seminar Committee, BOG	Member Department
<i>Review of PIPFA's Compliance Information</i>					
3.	Ongoing	Perform periodic review of PIPFA response to SMO 1 Section of the IFAC Compliance Self-Assessment questionnaire and update the response as necessary. Once updated inform IFAC Compliance staff about the updates in order for the Compliance staff to republish updated information.	Ongoing	Publication & Seminar Committee, BOG	Member Department

Action Plan Subject: SMO 2 - International Education Standards for Professional Accountants and Other IAESB Guidance
Action Plan Objective: To fully comply with the requirements of SMO 2

#	Start Date	Actions	Completion Date	Responsibility	Resource
<p><i>Background:</i></p> <p>The Institute of Chartered Accountants of Pakistan, Institute of Cost and Management Accountants of Pakistan and Pakistan Institute of Public Finance Accountants are the three major Professional Accountancy Education providers in the country. PIPFA is an autonomous body that functions under Companies Ordinance 1984 and its regulatory body is the Securities and Exchange Commission of Pakistan (SECP).</p> <p>PIPFA was constituted to impart quality education and qualify specialized professional accountants at second tier accounting executive level within the public and corporate sectors. A full description of its education program can be viewed at http://www.pipfa.org.pk/careerplan2008.PDF</p> <p>Students that have passed Intermediate, A' Levels, DBA, or equivalent are eligible for admission to PIPFA's qualification. Students get coached through PIPFA's own class arrangements or through PIPFA authorized colleges/institutes. The Education program is divided into three Levels covering accounting, finance and business related areas. After completing a course of tuition for a prescribed number of hours for each subject, students can sit the examinations. There is a prescribed period of practical training of at least two years in the field of auditing and accountancy. This must be verified by a professional (Chartered Accountant, Cost & Management Accountant or Public Finance Accountant). The student is then eligible for applying for membership of the Institute. It takes one and a half years to become a Public Finance Accountant.</p> <p>PIPFA Members are eligible for exemptions from a range of professional body qualifications including both ICAP and ICMAP in Pakistan, the Chartered Institute of Management Accountants (CIMA), Association of Chartered Certified Accountants (ACCA), Institute of Corporate Secretaries & Managers (ICS&M) and the Institute of Corporate Secretaries of Pakistan (ICSP).</p> <p>PIPFA has established a continuing professional development (CPD) framework. The Institute delivers CPD courses and monitors compliance with the requirements. PIPFA members are required to complete a minimum of 20 hours of CPD per year.</p> <p>PIPFA has plans in place to increase the practical training requirement from two to three years.</p>					

#	Start Date	Actions	Completion Date	Responsibility	Resource
4.	April 2011	Review PIPFA's education requirements for alignment with IESs and compliance with the requirements of SMO 2.	June 2012	BOS	Education Department ICAP and ICMAP concerned persons.
<i>IES 2 Professional Accounting Education Program</i>					
5.	Ongoing	Continue to update PIPFA's qualification according to updates in IAESB guidance.	Ongoing	EC (comprise of six BOG member) and Director Examinations	EDC, EC Education and Examination Departments
<i>IES 5 Practical experience requirement</i>					
6.	2011	Work with the concerned authorities to explore the impact of increasing PICPA's practical experience requirement from 2 to 3 years.	By the year 2012-13	BOG on recommendation of BOS	Member Department
<i>Promotion of developments in relation to IESs</i>					
7.	Ongoing	Through Seminars and publication of a Journal, communicate the latest developments of the accountancy profession related to IESs.	Ongoing	P&S Committee	Member Department
<i>Incorporation of audit and ethics pronouncements into PIPFA education program</i>					
8.	July 2011	Ensure on an ongoing basis that new IAASB and IAESB pronouncements are incorporated into education and training programs on timely basis and communicated to all stakeholders.	Dec. 2011	P & S Committee, IT Administrator	4 Committee members & 2 staff, Members Department
<i>Maintaining Ongoing Processes</i>					

#	Start Date	Actions	Completion Date	Responsibility	Resource
9.	Ongoing	Continue to implement to the fullest extent possible the requirements of SMO 2 and use best endeavors to promote national recognition. In addition, continue to support implementation of the international education requirements with regards to PIPFA's pre-qualification and CPD programs.	Ongoing	Faculty	Faculty members and Education Department
<i>Review of PIPFA's Compliance Information</i>					
10.	Ongoing	Perform periodic review of PIPFA response to the SMO 2 section of the IFAC Compliance Self-Assessment questionnaire and update the response as necessary. Once updated inform IFAC Compliance staff about the updates in order for the Compliance staff to republish updated information.	Ongoing	BOG	Member Department

Action Plan Subject: SMO 3 - International Standards, Related Practice Statements and Other Papers Issued by the IAASB
Action Plan Objective: Use best endeavors to support adoption and implementation of ISAs in Pakistan

#	Start Date	Actions	Completion Date	Responsibility	Resource
<i>Background:</i>					
<p>The Council of the Institute of Chartered Accountants of Pakistan (ICAP) is the authority responsible for adopting international auditing standards in Pakistan. The ISAs have been adopted without modification and are regularly updated.</p> <p>PIPFA supports this implementation by keeping members and students informed of the standards both in syllabus content and through publications. PIPFA has planned improvements to its website to make available the latest developments and updates relating to IFAC in a more comprehensive and accessible way.</p> <p>PIPFA is in process of forming a Technical Committee for research work related to this SMO.</p>					
<i>Promote ongoing ISA Development</i>					
11.	Ongoing	Provide IAASB pronouncements to members via PIPFA website & Publications (News Letter Journal).	Ongoing	P&S Committee, BOS	IT personnel in coordination with Members Department
<i>Assist with adoption and implementation of ISAs</i>					
12.	Ongoing	Monitor pronouncements and updates provided by IAASB, and develop update briefings for members and communicate through newsletter, Journal and website.	Ongoing	P&S Committee Executive Director	Member Department
13.	Ongoing	Review CPD program to ensure sufficient ongoing coverage of IAASB updates, pronouncements and developments.	Ongoing	P&S Committee Executive Director	Member Department

#	Start Date	Actions	Completion Date	Responsibility	Resource
<i>Maintaining Ongoing Processes</i>					
14.	Ongoing	Include updates in IAASB pronouncements in PIPFA continuing professional education and pre-qualification programs.	Ongoing	Board of Studies P&S Committee	Education Department Members Department
15.	Ongoing	Incorporate specific standing order agenda item for PIPFA committees to review and respond to IAASB/IFAC requests for feedback (on proposals including exposure drafts).	Ongoing	Executive Director	Secretariat & Members Department
16.	Ongoing	Review and update SMO 3 section of the Action Plan for future activities as necessary.		President P & S Committee, Executive Director	Member Department
<i>Review of PIPFA's Compliance Information</i>					
17.	Ongoing	Perform periodic review of PIPFA response to SMO Sections of the IFAC Compliance Self-Assessment questionnaire and update the response as necessary. Once updated inform IFAC Compliance staff about the updates in order for the Compliance staff to republish updated information.	Ongoing	President or Executive Committee, Executive Director	Member Department

Action Plan Subject: SMO 4 - IESBA Code of Ethics for Professional Accountants
Action Plan Objective: Adopt the most recent IESBA Code of Ethics

#	Start Date	Actions	Completion Date	Responsibility	Resource
<p><i>Background:</i></p> <p>Currently, ethical requirements are set in Law (Listing Regulations) and by PIPFA itself with regards to its members. PIPFA has adopted the Code of Ethics established by the South Asian Federation of Accountants (SAFA). This Code was based on the IESBA Code of Ethics issued in June 2004.</p> <p>PIPFA is in the process of forming a Technical Committee for better and immediate compliance of pronouncements.</p> <p>The Board of Studies has recently discussed the need for including the code of ethics as a separate subject, or incorporating a larger ethics component into the existing subjects and the relevant department has been advised to draft a proposal for the syllabus committee to review and form a recommendation.</p>					
<p><i>Adoption and promotion of the IESBA Code of Ethics</i></p>					
18.	October 18, 2008	Invited and Conducted an Executive level meeting with the delegation of Kenyan Accountants and Secretaries National Examinations Board (KASNEB) for reviewing syllabus and examinations system of PIPFA for ethics content.	Completed	Executive Director and Director Examinations	Board of Governors
19.	September 2011	Form Technical Committee to begin work to adopt the most recent IESBA Code of Ethics.	December 2011	Executive Director	Executive Director
20.	September 2011	Technical Committee to conduct a review of the 2010 IESBA Code of Ethics and produce a work plan towards adoption.	June 2012	Executive Director	Executive Director

#	Start Date	Actions	Completion Date	Responsibility	Resource
21.	September 2011	Disseminate IESBA Code of Ethics to students, members and the wider community through Journal, Website and by Faculty members.	September 2012	P&S Committee BOS	Member Department Education Department
22.	September 2011	Enhance CPD courses to include exhaustive coverage of Ethical requirements including case studies showing areas of potential conflict and challenges.	September 2012	Faculty, BOS and EC	Member Department, Education and Examination Department
<i>Maintaining Ongoing Processes</i>					
23.	Ongoing	Monitor and review new and amended standards from the IESBA. Include updates of IESBA pronouncements in PIPFA's continuing professional education and pre-qualification programs.	Ongoing	P&S Committee	Member Department
24.	Ongoing	Incorporate specific standing order agenda item for PIPFA committees to review and respond to IESBA requests for feedback from IFAC member bodies.	Ongoing	Executive Director	Member Department, Education Department & Secretariat
25.	Ongoing	Review and update Action Plan regularly to ensure that it continues to reflect the overall objectives under SMO 4.	Ongoing	P&S Committee	Member Department
<i>Review of PIPFA's Compliance Information</i>					

#	Start Date	Actions	Completion Date	Responsibility	Resource
26.	Ongoing	Perform periodic review of PIPFA response to SMO Sections of the IFAC Compliance Self-Assessment questionnaire and update the response as necessary. Once updated inform IFAC Compliance staff about the updates in order for the Compliance staff to republish updated information.	Ongoing	President or Executive Committee, Executive Director	Member Department

Action Plan Subject: SMO 5 - International Public Sector Accounting Standards
Action Plan Objective: Use best endeavors to assist the adoption of IPSAS and support and disseminate the work of the IPSASB

#	Start Date	Actions	Completion Date	Responsibility	Resource
<p><i>Background:</i></p> <p>The Pakistani Government has established convergence with IPSAS as an objective and national public sector accounting standards are developed with the goal of eliminating differences with IPSAS.</p> <p>The Auditor General of Pakistan has mandated that IPSAS should also be used by Provincial Government Officers. PIPFA has therefore begun training of Punjab Government employees, of which three groups have now been trained.</p> <p>Since 2005, PIPFA has also been providing training to the Officers of the Auditor General of Pakistan and more recently extended the same service to Sindh Government employees and Azad Jammu & Kashmir.</p> <p>PIPFA's BOG includes representation from the AGP the IPSAS are discussed and approved in BOG meetings before becoming part of PIPFA's syllabus and CPD program.</p>					
<i>Promote the adoption of IPSAS</i>					
27.	July 2005	Continue to provide IPSAS education and training for public sector workers.	Ongoing	BOS, EC & Publication & Seminar Committee	Members of BOS and EC, Education and Examination department
28.	Ongoing	Monitor issuance of new and amended IPSAS pronouncements and update PIPFA's continuing professional education program in accordance with these pronouncements.	Ongoing	Executive Director	Education and Member Department

#	Start Date	Actions	Completion Date	Responsibility	Resource
29.	Ongoing	Incorporate specific standing order agenda item for the relevant PIPFA committee to review and respond to IPSASB/IFAC requests for feedback (including exposure drafts).	Ongoing	Executive Director	Education and Member Department
30.	Ongoing	Review and update Action Plan once a year to ensure that it reflects the overall objectives under this SMO.	Ongoing	Publication & Seminar Committee and Executive Director	Education and Member Department
<i>Review of PIPFA's Compliance Information</i>					
31.	Ongoing	Perform periodic review of PIPFA response to SMO Sections of the IFAC Compliance Self-Assessment questionnaire and update the response as necessary. Once updated, inform IFAC Compliance staff about the updates in order for the Compliance staff to republish updated information.	Ongoing	Publication & Seminar Committee and Executive Director	Education and Member Department

Action Plan Subject: SMO 6 - Investigation & Discipline

Action Plan Objective: Introduce an investigation & disciplinary system that complies with the requirements of SMO 6

#	Start Date	Actions	Completion Date	Responsibility	Resource
<p><i>Background:</i></p> <p>PIPFA has responsibility for implementing an investigation and disciplinary (I&D) mechanism to address complaints about possible misconduct of its members and issue sanctions where necessary. A member or a student shall be liable to disciplinary action for any misconduct specified in by-laws.</p> <p>Any aggrieved person can bring a complaint to the attention of the PIPFA Secretary. The Investigation Committee considers the complaint and calls for relevant evidence to be provided. If the Investigation Committee decides to refer the complaint to the Disciplinary Committee it provides a report on the facts and matters which went before the Investigation Committee in addition to records of the proceedings of the investigation and the verdict. The Investigation Committee shall also send a copy of its report to the member or student whose conduct has been the subject of investigation.</p> <p>On receipt of the report of the Investigation Committee, the Disciplinary Committee shall, as soon as practicable, notify the defendant of the nature of the complaint and the time and place of the hearing. The Disciplinary Committee shall provide him a reasonable opportunity of being heard and either in person, through legal counsel or through a member of the Institute. If the defendant does not attend the hearing after the proper service of notice, the Disciplinary Committee may proceed to consider the complaint in his absence.</p> <p>If the Disciplinary Committee is of the opinion that the complaint has been proved in whole or in part, it shall record a finding to that effect and may pass orders against the defendant as it considers appropriate.</p> <p>Where the conduct of a student has been referred to the Investigation Committee, the result of any Institute's examination taken by the student shall be held back for the duration of the investigation.</p> <p>The accused may appeal against an order of the Disciplinary Committee within 30 days. During an appeal the PIPFA BOG shall take into consideration the record of evidence given before the Investigation Committee or the Disciplinary and if necessary, may admit fresh evidence or call for additional information, documents or records.</p>					

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<p>The BOG may affirm, vary or rescind any finding of the Disciplinary Committee or order that the complaint be heard again by the Investigation & Disciplinary Committee.</p> <p>An order of the Disciplinary Committee shall not take effect until the disposal of the appeal by the BOG in cases where the defendant has appealed, or until the expiry of the prescribed appeal period.</p> <p>Where a member or a student is found guilty, the Secretary shall publish his name in such journal or journals as the Disciplinary Committee or the BOG deem appropriate.</p> <p>The Board of Governors of PIPFA, in its 87th meeting held on December 2010, deliberated on the matter of revision of systems, rules & regulations and, if needed, modification and addition to meet the requirements and the process has been started which is targeted to be complete by 2012. As soon as the changes are made in the rules and regulations, the same will be incorporated in the Action Plan.</p>					
<i>Strengthening of the Investigation and Disciplinary System (I&D)</i>					
32.		Establish a task force to review the requirements of SMO 6 and establish a work plan for the PIPFA system to be brought in line. Submit a sub-action plan for this activity to IFAC.	June 2012	President, Executive Committee, Executive Director	Member Department
<i>Maintaining Ongoing Processes</i>					
33.	Ongoing	Continue to promote the importance of standards and codes through CPD and public outreach activities, and to clearly communicate the consequences of non-compliance.	Ongoing	Publication & Seminar Committee	Education, Examination & Member Department
<i>Review of PIPFA's Compliance Information</i>					

#	Start Date	Actions	Completion Date	Responsibility	Resource
34.	Ongoing	Perform periodic review of PIPFA response to SMO Sections of the IFAC Compliance Self-Assessment questionnaire and update the response as necessary. Once updated inform IFAC Compliance staff about the updates in order for the Compliance staff to republish updated information.	Ongoing	President, Executive Committee, Executive Director	Member Department

Action Plan Subject: SMO 7 - International Financial Reporting Standards (IFRS)
Action Plan Objective: Use best endeavors to support convergence with International Financial Reporting Standards

#	Start Date	Actions	Completion Date	Responsibility	Resource
<i>Background:</i>					
<p>The Securities and Exchange Commission of Pakistan (SECP) has responsibility for adopting and promulgating accounting standards for listed and non-listed entities. The law (Companies Ordinance) simply refers to the IASB pronouncements as the standards to be used in the preparation of financial statements for listed entities. A large number of IASB pronouncements have been adopted for listed entities.</p> <p>PIPFA informs its members about new and amended IFRS through its website and newsletter and supports the implementation of the standards by providing pre-qualification courses on IFRS. PIPFA updates the syllabus to take into account new and amended standards.</p>					
<i>Promote the Use of IFRSs</i>					
35.	Ongoing	Monitor pronouncements of IASB and ensure that members have access to updated standards, exposure drafts and other pronouncements.	Ongoing	P&S Committee, BOG	Member Department
<i>Maintaining Ongoing Processes</i>					
36.	Ongoing	Continued implementation of the pre-qualification and CPD programs that incorporate financial reporting courses based on IFRS, and elaboration of IASB guidance, interpretations and other pronouncements.	Ongoing	P&S Committee, BOG	Member Department
<i>Review of PIPFA's Compliance Information</i>					

#	Start Date	Actions	Completion Date	Responsibility	Resource
37.	Ongoing	Perform periodic review of PIPFA response to SMO Sections of the IFAC Compliance Self-Assessment questionnaire and update the response as necessary. Once updated inform IFAC Compliance staff about the updates in order for the Compliance staff to republish updated information.	Ongoing	President Executive Director	Member Department