

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.

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 Zambia Institute of Chartered Accountants (ZICA)
Approved by Governing Body:	ZICA Council
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GLOSSARY:

ACCA	Association of Chartered Certified Accountants
CPD	Continuous Professional Development
CIMA	Chartered Institute of Management Accountants
ECSAFA	Eastern, Central and Southern Africa Federation of Accountants
IASB	International Accounting Standards Board
IAASB	International Auditing and Assurance Standards Board
IES	International Education Standards
IFAC	International Federation of Accountants
IFRSs	International Financial Reporting Standards
IPSASs	International Public Sector Accounting Standards
ISAs	International Standards on Auditing
ISQC	International Standard on Quality Control
ICT	Information and Communication Technology
SCE	Secretary and Chief Executive
SMO	Statements of Membership Obligations
ZICA	Zambia Institute of Chartered Accountants

Action Plan Subject: SMO 1 - Quality Assurance

Action Plan Objective: Ensure a mandatory quality review programme is in place for those members performing audits of financial statements of listed companies

#	Start Date	Actions	Completion Date	Responsibility	Resource
<p><i>Background:</i></p> <p>ZICA has the responsibility for the quality review programme for its members performing audits of financial statements. Though ZICA has set up its own Practice Review Department, currently the programme for the reviews has been contracted to the Association of Chartered Certified Accountants (ACCA) for a period of six years – the six year period will expire on 1st July 2014. It is intended that after 2011, the ZICA Practice Review Department will take over the reviews of the small and medium sized firms from the ACCA. The ACCA will continue the review of large firms until the expiration of the six year period by which time ZICA Practice Review Department is planning to have developed sufficient internal capacity to perform the reviews itself.</p> <p>Both the ACCA QA program and ZICA’s training program for the Practice Review Department are consistent with the requirements of SMO 1. ZICA is committed to ensuring the quality review programme is SMO 1 compliant.</p>					
<p><i>Ongoing Implementation of a program of Quality Assurance Review</i></p>					
1.	Ongoing	<p>Conduct training of Practice Review Officers in International Financial Reporting Standards (IFRSs), International Standards on Auditing (ISAs), ISQC 1 and Practice Review Methodology. For 2011, the training program aims to achieve the following:</p> <ul style="list-style-type: none"> • Equip the Officers with Technical understanding of accounting and auditing standards • Equip Officers with Practice Review methodology 	December 2011 and on-going	Director Standards and Regulation	Practice Review Officers will attend the Workshops organized by the Institute. Practice Review Officers will not pay for attending the training.

#	Start Date	Actions	Completion Date	Responsibility	Resource
		The key components of the core training are planned to be completed in 2011. From 2012 these officers will be responsible for the conduct of reviews of the small and medium sized firms.			
2.	January 2011	Conduct two workshops for practitioners to share lessons from the first review cycle reports received from ACCA's monitoring visits.	December 2011	Director Standards and Regulation	Officers from the Practice Review Department will conduct these workshops. The cost of the Workshops will be recovered from the practitioners.
3.	January 2011	Conduct training for auditors on quality control requirements in accordance with ISQC 1.	December 2011	Director Standards and Regulation	The cost of training the auditors will be recovered from the auditors.
4.	January 2011	Complete review of all audit firms of Public Interest Entities and re-reviews of 30 audit firms. Conduct first reviews to 4 audit firms without PIE clients.	December 2011	Director Standards and Regulation	ACCA/ECSAFA Monitoring Staff. ZICA Practice Review Department Staff.
<i>Maintaining Ongoing Processes</i>					
5.	Ongoing	Continue to ensure that ZICA's Audit Quality Review is operating effectively and continues to be in line with SMO 1 requirements. This includes quarterly periodic review of the operation of the quality review system and updating the Action Plan for future activities where necessary.	Ongoing	SCE Director Standards and Regulation	ZICA Staff
<i>Review of ZICA's Compliance Information</i>					

#	Start Date	Actions	Completion Date	Responsibility	Resource
6.	Annually	<p>There is a need to review the SMO 1 information annually as there may have been changes to the legislative and or administrative landscape.</p> <p>Carry out periodic review of ZICA's responses to the IFAC self assessment questionnaires and update sections relevant to SMO 1 as necessary. Once updated, inform IFAC compliance stall about the updates in order for them to republish updated information.</p>	Annually	SCE	ZICA Staff

Action Plan Subject: SMO 2 - International Education Standards

Action Plan Objective: To ensure that all IES requirements are incorporated into ZICA's education requirements

#	Start Date	Actions	Completion Date	Responsibility	Resource
<p><i>Background:</i></p> <p>ZICA is responsible for adoption of the international education standards (IESs). The Education Committee of ZICA is given mandate by Council to revise and recommend the education and training content of ZICA's education requirements</p> <p>Most of the professional members of ZICA hold foreign qualifications mainly from ACCA and the Chartered Institute of Management Accountants (CIMA). However, ZICA has developed its own professional qualification and for the first time this year the Institute has admitted 2 professional members from ZICA qualification.</p> <p>The enactment of the Accountants Act of 2008 introduced new requirements for holders of foreign qualifications wishing to become ZICA members. In addition to the practical experience of 3 years, members are now required to take an examination that assesses the knowledge of the local tax and business legislation. ZICA members are also required to complete 40 hours of CPD per year. The enforcement of CPD requirements is done by the Membership Committee when members are renewing their membership.</p>					
<p><i>Enhance Practical Experience Requirements</i></p>					
7.	Jan 2011	<p>Implement the training programme based on the practical training guidelines that have been developed and approved by Council. For 2011, the following elements of the training programme are planned for implementation:</p> <ol style="list-style-type: none"> 1. Trainees will sign contracts with the employers and file copies with the Institute 2. The Institute will issue practical training guidelines to trainees. 3. The Institute will increase the number of registered firms for purposes of practical training 	December 2011 and on-going	Director Education	Education Committee

#	Start Date	Actions	Completion Date	Responsibility	Resource
<i>Revision of the ZICA Accountancy Programme</i>					
8.	July 2011	Revise the ZICA Accountancy Programme study materials and develop revision materials to align them with revised syllabuses	July 2011	Director Education	Consultant
<i>Enforce CPD Requirements</i>					
9.	Ongoing	Continue running CPD events aimed at bringing to the attention of the members latest developments in the profession. For 2011, the following CPD events are scheduled: <ul style="list-style-type: none"> • Monthly accountants forum • Pre-AGM workshop • Annual Business Conference • IFRS updates • IFRS for SMEs • ISAs Workshops • Internal Auditors workshop etc 	December 2011 and on-going	SCE Membership Services Manager	ZICA Staff Membership Committee
10.	Ongoing	Enforce sanctions to members failing to comply with CPD requirements	Ongoing	Membership Services Manager	ZICA Staff Membership Committee
<i>Maintaining Ongoing Processes</i>					
11.	Jan 2011	Ensure ZICA's education requirements continue to incorporate all IES requirements. This includes review of the existing requirements and preparation of the Action Plan for the future activities where necessary.	Ongoing	SCE Director Education	ZICA Staff Education Committee Membership Committee

#	Start Date	Actions	Completion Date	Responsibility	Resource
<i>Review of ZICA's Compliance Information</i>					
12.	Annually	<p>There is a need to review the SMO 2 information annually as there may have been changes to the legislative and or administrative landscape.</p> <p>Carry out periodic review of ZICA's responses to the IFAC self assessment questionnaires and update sections relevant to SMO 2 as necessary. Once updated, inform IFAC compliance stall about the updates in order for them to republish updated information.</p>	Annually	<p>SCE</p> <p>Director Education</p>	<p>ZICA Staff</p> <p>Education Committee</p> <p>Membership Committee</p>

Action Plan Subject: SMO 3 - International Auditing and Assurance Standards
Action Plan Objective: Continue to use best endeavors to maintain ongoing process of adopting and implementing IAASB Pronouncements

#	Start Date	Actions	Completion Date	Responsibility	Resource
<i>Background:</i>					
The Accountants Act of 2008 gives ZICA the mandate to approve the auditing standards to be used in Zambia. Through recommendation from the Technical Committee ZICA has adopted all the International Standards on Auditing (and revisions) issued by the International Auditing and Assurance Standards Board without modifications effective 1 st January 2005.					
<i>Ongoing Adoption of IAASB Pronouncements</i>					
13.	Ongoing	Participate in the adoption of new standards by commenting on discussion papers and exposure drafts.	Ongoing	Technical Manager	ZICA Staff Technical Committee
14.	January 2011	Conduct training in the adopted clarified ISAs in 2011 in order to help auditors in implementation of clarified ISAs. Training is scheduled for the following dates in 2011: <ul style="list-style-type: none"> • April 2011 • July 2011 	December 2011	Technical Manager	Technical Department staff Practice Review Staff
15.	Ongoing	Continue posting all new auditing standards on the ZICA website to enhance the current communication system with members. Continue to also put new developments on International Auditing Standards in the ZICA Quarterly Accountant magazine.	Ongoing	Technical Manager	Technical Committee The ICT Manager

#	Start Date	Actions	Completion Date	Responsibility	Resource
16.	Ongoing	Monitor compliance with Auditing standards as part of the Audit Quality Review System which as indicated under SMO 1 is being carried out by ACCA and in future the ZICA Practice Review Department.	Ongoing	Director Standards and Regulation	ACCA monitoring staff Practice Review Committee Practice Review Officers
<i>Maintaining Ongoing Processes</i>					
17.	Ongoing	Continue to support ongoing adoption and implementation of IAASB pronouncements. This includes review of the implementation of the Action Plan to date and updating the Action Plan for future activities as necessary.	Ongoing	SCE Technical Manager	Technical Department Staff
<i>Review of ZICA's Compliance Information</i>					
18.	Annually	There is a need to review the SMO 3 information annually as there may have been changes to the legislative and or administrative landscape. Carry out periodic review of ZICA's responses to the IFAC self assessment questionnaires and update sections relevant to SMO 3 as necessary. Once updated, inform IFAC compliance stall about the updates in order for them to republish updated information.	Annually	SCE Technical Manager	Technical Department Staff

Action Plan Subject: SMO 4 - IESBA Code of Ethics

Action Plan Objective: Continue to use best endeavors to maintain ongoing process of adopting and implementing the IESBA Code of Ethics

#	Start Date	Actions	Completion Date	Responsibility	Resource
<i>Background:</i>					
ZICA is responsible for the development of a Code of Ethics for its members. Currently ZICA adopted the entire IESBA Code of Ethics (and revisions) without modifications effective 1 st January 2009. As such, ZICA has adopted, without modification, the clarified IESBA Code of Ethics effective January 1, 2011.					
<i>Effectively Implement the IFAC Code of Ethics</i>					
19.	Ongoing	Continuously update the ZICA Accountancy Programme syllabus to ensure new ethics are incorporated in the syllabus. This is critically important for 2011 given the clarified IESBA Code of Ethics for Professional Accountants is effective January 1, 2011 – ZICA will ensure the provision of the clarified code are captured in the 2011 syllabus.	December and on-going	SCE Director Education	Education Committee
20.	Ongoing	Continue incorporating Ethics presentations in CPD programmes for ZICA members to raise awareness about the Code of Ethics including the new IESBA Code of Ethics for Professional Accountants. For 2011, the following CPD activities will raise awareness about the clarified IESBA Code: <ul style="list-style-type: none"> • Pre-AGM Workshop • Annual Business Conference 	Ongoing	Membership Services Manager	CPD Committee CPD Speakers

#	Start Date	Actions	Completion Date	Responsibility	Resource
21.	January 2011	Provide a CD containing the IESBA Code of Ethics to all new members of the Institute	Ongoing	Membership Services Manager	Membership Department staff Membership Committee
<i>Maintaining Ongoing Processes</i>					
22.	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	Membership Services Manager	Membership Committee
<i>Review of ZICA's Compliance Information</i>					
23.	Annually	There is a need to review the SMO 4 information annually as there may have been changes to the legislative and or administrative landscape. Carry out periodic review of ZICA's responses to the IFAC self assessment questionnaires and update sections relevant to SMO 4 as necessary. Once updated, inform IFAC compliance stall about the updates in order for them to republish updated information.	Annually	Membership Services Manager	Membership Committee

Action Plan Subject: SMO 5 - International Public Sector Accounting Standards

Action Plan Objective: Continue to use best endeavors to assist in the adoption and implementation of IPSASs in Zambia

#	Start Date	Actions	Completion Date	Responsibility	Resource
<i>Background:</i>					
ZICA is responsible for approving the accounting standards to be used in Zambia. The Public Sector Committee recommends the adoption of IPSASs as issued by the International Public Sector Accounting Standards Board. Currently cash based IPSASs are used in Zambia.					
<i>Continue to promote the use of IPSASs</i>					
24.	Ongoing	Participate in the adoption of new standards by commenting on exposure drafts.	Ongoing	Director Standards and regulation	Public Sector Committee ZICA Staff
25.	Ongoing	Continue pursuing for the adoption of IPSASs by all departments in Zambia's Government by holding meetings with Government. For 2011 this will involve the following activities and meetings: <ul style="list-style-type: none"> • Meeting with the Accountant General • Agree on the road map for adoption of IPSASs 	December 2011 and on-going	Director Standards and regulation	Public Sector Committee
26.	January 2011	Implement an IPSASs compliance monitoring system for Government departments once Government adopts the IPSASs. ZICA intends to engage the Auditor General's Office to ensure that reports on Compliance to IPSASs by Government departments are sent to ZICA on a yearly basis	December 2011	Director Standards and regulation	Public Sector Committee Auditor General's Office

#	Start Date	Actions	Completion Date	Responsibility	Resource
<i>Maintaining Ongoing Processes</i>					
27.	Ongoing	Continue to identify opportunities to further assist in implementation of ISPASs. This includes review of the existing activities and preparation of the Action Plan for future activities where necessary.	Ongoing	Director Standards and regulation	Public Sector Committee
<i>Review of ZICA's Compliance Information</i>					
28.	Annually	There is a need to review the SMO 5 information annually as there may have been changes to the legislative and or administrative landscape. Carry out periodic review of ZICA's responses to the IFAC self assessment questionnaires and update sections relevant to SMO 5 as necessary. Once updated, inform IFAC compliance stall about the updates in order for them to republish updated information.	Annually	SCE Director Standards and regulation	Public Sector Committee

Action Plan Subject: SMO 6 - Investigation and Discipline

Action Plan Objective: Continue to use best endeavors and further improve ZICA's investigation and disciplinary system

#	Start Date	Actions	Completion Date	Responsibility	Resource
<i>Background:</i>					
The powers to discipline members of ZICA are in the hands of the Disciplinary Committee established under the Accountants Act of 2008. To enhance the independence of the Disciplinary Committee, the Accountants Act requires that the Chairperson and Vice Chairpersons be senior legal practitioners with more than 15 years experience.					
<i>Implement an Investigation and Disciplinary System</i>					
29.	Ongoing	Present Disciplinary Committee Reports to the members at the Annual General Meeting	Ongoing	SCE	Disciplinary Committee
30.	Ongoing	Publish Disciplinary Committee Cases in the Accountant Magazine quarterly	Ongoing	SCE	Disciplinary Committee
<i>Maintaining Ongoing Processes</i>					
31.	Ongoing	Continue to use best endeavors to ensure ZICA'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	SCE	ZICA staff Disciplinary Committee
<i>Review of ZICA's Compliance Information</i>					
32.	Annually	There is a need to review the SMO 6 information annually as there may have been changes to the legislative and or administrative landscape.	Annually	SCE	ZICA Staff Disciplinary Committee

#	Start Date	Actions	Completion Date	Responsibility	Resource
		Carry out periodic review of ZICA's responses to the IFAC self assessment questionnaires and update sections relevant to SMO 6 as necessary. Once updated, inform IFAC compliance stall about the updates in order for them to republish updated information.			

Action Plan Subject: SMO 7 - International Financial Reporting Standards
Action Plan Objective: Continue to use best endeavors to maintain and continuously improve an ongoing program for adoption and implementation of IFRS

#	Start Date	Actions	Completion Date	Responsibility	Resource
<i>Background:</i>					
ZICA is responsible for approving the accounting standards used in Zambia. Since 2005, ZICA adopted the use of the International Financial Reporting Standards issued by the International Accounting Standards Board (and revisions) without modifications effective on 1 st January 2005.					
<i>Ongoing Adoption of IASB Pronouncements</i>					
33.	Ongoing	Participate in the adoption of new Accounting Standards by commenting on discussion papers and exposure drafts.	Ongoing	Technical Manager	Technical Committee
34.	Ongoing	Continue posting all new International Accounting Standards on the ZICA website to enhance the current communication system with members. Continue to also put new developments on International Accounting Standards in the ZICA Quarterly Accountant magazine.	Ongoing	Technical Manager	Technical Manager ICT Manager
35.	January 2011	Conduct training workshops in IFRS for SMEs and the Zambian Financial Reporting Standard for Micro and Small Enterprises. Training workshops in 2011 are scheduled for the following dates and locations: <ul style="list-style-type: none"> • February 2011 – Lusaka • June 2011- Kitwe 	December 2011	Technical Manager	Technical Committee

#	Start Date	Actions	Completion Date	Responsibility	Resource
<i>Review of Financial Reporting Environment</i>					
36.	Ongoing	Continue reviewing compliance with IFRS by listed companies by the Technical Committee to identify existing and potential hindrances to the adoption and implementation of IFRS. Past reviews have highlighted hindrances which are being addressed by the following actions in 2011: <ul style="list-style-type: none"> Develop a standard review criteria 	December 2011 and on-going.	Technical Manager	Technical Committee Technical Department Staff
<i>Maintaining Ongoing Processes</i>					
37.	Ongoing	Continue to use best endeavors by identifying 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	Technical Department Staff	Technical Committee Technical Department Staff
<i>Review of ZICA's Compliance Information</i>					
38.	Annually	There is a need to review the SMO 7 information annually as there may have been changes to the legislative and or administrative landscape. Carry out periodic review of ZICA's responses to the IFAC self assessment questionnaires and update sections relevant to SMO 7 as necessary. Once updated, inform IFAC compliance stall about the updates in order for them to republish updated information.	Annually	Technical Department Staff	Technical Committee Technical Department Staff