

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

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| IFAC Member/Associate: | The Iranian Institute of Certified Accountants (IICA) |
| Official responsible: | Dr. Mohsen Ghasemi, Secretary General |
| Approved by Governing Body: | High Council |
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GLOSSARY

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|---------------------------|---|
| Audit Organization | Official Standard Setter in Iran |
| CPD | Continuing Professional Development |
| I&D | Investigation and Disciplinary |
| IAASB | International Auditing and Assurance Standards Board |
| IACPA | Iranian Association of Certified Public Accountants, 2nd IFAC Member Body in Iran |
| IAESB | International Accounting Education Standards Board |
| IES | International Educations Standards |
| IESBA | International Ethics Standards Board for Accountants |
| IFRS | International Financial Reporting Standards |
| IICA | Iranian Institute of Certified Accountants |
| IPSAS | International Public Sector Accounting Standards |
| IPSASB | International Public Sector Accounting Standards Board |
| ISA | International Standards on Auditing |
| ISRS | International Standard on Related Services |
| PACT | IICA's Professional Accountants Centre for Training |
| QA | Quality Assurance |
| QC | Quality Control |
| SME | Small and Medium Enterprises |

Action Plan Subject: General Actions
Action Plan Objective: To Ensure Best Use of IFAC Tools and Guidance and Support, in the Development of Accountancy Profession in Iran.

| # | Start Date | Actions | Completion Date | Responsibility | Resource |
|---|------------|---|-----------------|------------------------|----------------|
| <i>Background:</i> | | | | | |
| IFAC provides valuable tools and guidance to support accountancy profession worldwide. The Audit Organization of Iran is recognized by law as the body to adopt accounting standards in Iran. The IICA and the IACPA are professional associations of accountants in Iran. IICA has played an important role in strengthening accountancy profession in Iran, since 1974. | | | | | |
| 1. | Aug-12 | To present IFAC Good Practice Guidance <Establishing and Developing a Professional Accountancy> to the IICA Board. | Done | IFAC Committee | IICA Staff |
| 2. | Oct-16 | To present <IFAC's Strategic Plan for 2016-2018> to the IICA Board. | Done | IFAC Committee | IICA Staff |
| <i>Maintaining Ongoing Processes</i> | | | | | |
| 3. | Monthly | Hold monthly meeting to review the latest IFAC's publications, resources and events to prepare work program for IICA's Staff. | Done | IFAC Committee | IICA Staff |
| 4. | Quarterly | Quarterly review of Action Plan. | Done | High Council President | IFAC Committee |
| <i>Review of IICA's Compliance Information</i> | | | | | |
| 5. | Annually | Update Part 1 Questionnaire and inform IFAC Compliance Staff about the updates. | Done | IFAC Committee | IICA Staff |

Action Plan Subject: SMO 1 Quality Assurance (QA)
Action Plan Objective: To Communicate International Auditing and Assurance Standards Board's (IAASB) Work in Enhancing the Quality of Assurance and Related Services to Iranian Professional Accountants

| # | Start Date | Actions | Completion Date | Responsibility | Resource |
|---|------------|--|--------------------|--|--|
| <i>Background:</i> | | | | | |
| Audit Organization, IICA, and IACPA are responsible organizations for quality assurance in Iran. IICA also provides training support to Iranian professional accountants and updates its members on new developments. | | | | | |
| 1. | Aug-12 | Encouraging Audit Organization to revise Auditing Standard No. 4410. | Done | Accounting & Auditing Research Committee | IICA Staff |
| 2. | Sep-12 | Holding training courses on ISRS 4410 (Revised), <Compilation Engagements>. | Jointly with IACPA | Training Committee | IICA's Professional Accountants Centre for Training (PACT) |
| 3. | Sep-12 | Holding training courses by using <IFAC Quality Control (QC) Guide-Orientation> PowerPoint. | Done | Training Committee | PACT |
| 4. | Sep-12 | Updating members on amendment made to the <Preface to the International Quality Control, Auditing, Review, Other Assurance, and Related Services Pronouncements>. | Jointly with IACPA | Accounting & Auditing Research Committee | IICA Staff |
| <i>Maintaining Ongoing Processes</i> | | | | | |
| 5. | Monthly | Monthly review of latest IAASB publications and resources on Quality Assurance for planning purposes. | Done | Accounting & Auditing Research Committee | IICA Staff |
| <i>Review of IICA's Compliance Information</i> | | | | | |
| 6. | Annually | Perform periodic review of IICA's responses to the IFAC Part 2, SMO Self-Assessment Questionnaire and update sections relevant to SMO 1 as necessary and inform IFAC Compliance Staff about the updates. | Done | IFAC Committee | IICA Staff |

Action Plan Subject: SMO 2 International Education Standards (IESs)
Action Plan Objective: Strengthening Profession through the Development of Accountancy Education

| # | Start Date | Actions | Completion Date | Responsibility | Resource |
|---|------------|--|-----------------|--------------------|------------|
| <i>Background:</i> | | | | | |
| IICA mainly represents professional accountants in business and its main activity is to provide training support to Iranian accountants in public practice, education, government service, industry, and commerce. IICA runs PACT, the biggest professional education centre in Iran. | | | | | |
| 7. | Nov-16 | Forming a task force to incorporate IESs into PACT's training courses. | Done | Training Committee | PACT |
| 8. | Nov-16 | Holding seminar on <Overview of the International Education Standards Revision Project>. | Done | Training Committee | PACT |
| 9. | Nov-16 | Designing and introducing Continuing Professional Development (CPD) Program for IICA members on an <output-based approach>. | Being Done | Training Committee | PACT |
| <i>Maintaining Ongoing Processes</i> | | | | | |
| 10. | Monthly | Monthly review of latest International Accounting Education Standards Board (IAESB) publications and resources for planning purposes. | Done | Training Committee | IICA Staff |
| <i>Review of IICA's Compliance Information</i> | | | | | |
| 11. | Annually | Perform periodic review of IICA's responses to the IFAC Part 2, SMO Self-Assessment Questionnaire and update sections relevant to SMO 2 as necessary and inform IFAC Compliance Staff about the updates. | Done | IFAC Committee | IICA Staff |

Action Plan Subject: SMO 3 IAASB Pronouncements
Action Plan Objective: Communicating New International Standards on Auditing (ISAs) to Iranian Professional Accountants

| # | Start Date | Actions | Completion Date | Responsibility | Resource |
|--|------------|--|-----------------|--|------------|
| <i>Background:</i> | | | | | |
| Auditing Standards in Iran are established by Audit Organization and auditing and other related services are provided by Iranian CPAs who are members of IACPA or IICA. IICA also provides training support to Iranian CPAs and updates them on new auditing developments. | | | | | |
| 12. | Oct-12 | Holding training courses on <International Standard on Auditing (ISA) 610 (Revised), Using the Work of Internal Auditors>. | Done | Training Committee | PACT |
| 13. | Dec-12 | Holding training courses on <International Standard on Auditing (ISA) 315 (Revised), Identifying and Assessing the Risks of Material Misstatement through Understanding the Entity and Its Environment>. | Done | Training Committee | PACT |
| 14. | Jan-16 | To present <IAASB Strategy and Work Program, 2015–2019> to the IICA Board. | Done | IFAC Committee | IICA Staff |
| 15. | Annually | Holding training courses on <Professional Skepticism in an Audit of Financial Statements>. | Done | Training Committee | PACT |
| <i>Maintaining Ongoing Processes</i> | | | | | |
| 16. | Monthly | Monthly review of latest IAASB publications and resources for planning purposes. | Done | Accounting & Auditing Research Committee | IICA Staff |
| <i>Review of IICA's Compliance Information</i> | | | | | |
| 17. | Annually | Perform periodic review of IICA's responses to the IFAC Part 2, SMO Self-Assessment Questionnaire and update sections relevant to SMO 3 as necessary and inform IFAC Compliance staff about the updates. | Done | IFAC Committee | IICA Staff |

Action Plan Subject: SMO 4 the International Ethics Standards Board for Accountants (IESBA) Code of Ethics
Action Plan Objective: Support of Implementation of IESBA Code of Ethics for Professional Accountants

| # | Start Date | Actions | Completion Date | Responsibility | Resource |
|---|------------|--|-----------------|--|------------------|
| <i>Background:</i> | | | | | |
| National Ethical Standards are developed by Audit Organization in Iran which is based on International Code of Ethics for Professional Accountants. IICA supports implementation of IESBA Code of Ethics. | | | | | |
| 18. | Sep-12 | Forming a Task Force to support the convergence of international and national ethical standards. | Done | High Council President | Ethics Committee |
| 19. | Oct-12 | Holding discussion panel on <Proposed Changes to the Definition of "Engagement Team" in the IESBA Code of Ethics for Professional Accountants (the Code)>. | Done | Accounting & Auditing Research Committee | IICA Staff |
| 20. | Oct-12 | Expanding IICA's education program to include courses on the Revised IFAC Code of Ethics. | Done | Training Committee | PACT |
| 21. | Annually | To present <International Ethics Standards Board for Accountants Strategy and Work Plan, 2011–20124> to the IICA Board. | Done | IFAC Committee | IICA Staff |
| <i>Maintaining Ongoing Processes</i> | | | | | |
| 22. | Monthly | Monthly review of latest IESBA publications and resources for planning purposes. | Done | Ethics Committee | IICA Staff |
| <i>Review of IICA's Compliance Information</i> | | | | | |
| 23. | Annually | Perform periodic review of IICA's responses to the IFAC Part 2, SMO Self-Assessment Questionnaire and update sections relevant to SMO 4 as necessary and inform IFAC Compliance staff about the updates. | Done | IFAC Committee | IICA Staff |

Action Plan Subject: SMO 5 International Public Sector Financial Reporting Standards
Action Plan Objective: Promoting International Public Sector Accounting Standards (IPSASs) in Iran

| # | Start Date | Actions | Completion Date | Responsibility | Resource |
|--|------------|--|---------------------------------|--|------------|
| <i>Background:</i> | | | | | |
| National Public Sector Accounting Standards are developed by Audit Organization in Iran. IICA supports IPSASs by providing training courses in PACT. | | | | | |
| 24. | Sep-12 | Encouraging IICA members to comment on International Public Sector Accounting Standards Board (IPSASB) Consultation Paper on 2013-2014 Work Program>. | Done | Accounting & Auditing Research Committee | IICA Staff |
| 25. | Oct-12 | Take part in Audit Organization's Standards Setting activities regarding Public Sector Accounting Standards. | Member of council participating | Accounting & Auditing Research Committee | IICA Staff |
| 26. | Annually | Holding discussion panel on <IPSASB Exposure Drafts>. | Done | Accounting & Auditing Research Committee | IICA Staff |
| 27. | Annually | Holding training courses on <International Public Sector Accounting Pronouncements>. | Done | Training Committee | PACT |
| <i>Maintaining Ongoing Processes</i> | | | | | |
| 28. | Monthly | Monthly review of latest IPSASB publications and resources for planning purposes. | Done | Accounting & Auditing Research Committee | IICA Staff |
| <i>Review of IICA's Compliance Information</i> | | | | | |
| 29. | Annually | Perform periodic review of IICA's responses to the IFAC Part 2, SMO Self-Assessment Questionnaire and update sections relevant to SMO 5 as necessary and inform IFAC Compliance staff about the updates. | Done | IFAC Committee | IICA Staff |

Action Plan Subject: SMO 6 Investigation and Discipline (I&D)
Action Plan Objective: Improve IICA's Investigation and Disciplinary System

| # | Start Date | Actions | Completion Date | Responsibility | Resource |
|---|------------|--|-----------------|------------------------|----------------------|
| <i>Background:</i> | | | | | |
| IICA is responsible for its I&D system. IICA tribunal is composed of IICA qualified members selected by High Council. | | | | | |
| 30. | Oct-12 | Forming a Task Force to review IICA I&D system in comparison to SMO 6 requirements. | Done | High Council President | Ethics Committee |
| 31. | Nov-12 | Prepare a report on areas where IICA I&D system requires changes to address SMO 6 requirements. | Done | Ethics Committee | IICA Staff |
| 32. | Jun-13 | Review and approval of Ethics Committee report on IICA's I&D system. | Done | High Council President | High Council Members |
| <i>Maintaining Ongoing Processes</i> | | | | | |
| 33. | Annually | Provide information and guidance to members on Ethical Requirements. | Done | Disciplinary Committee | IICA Staff |
| <i>Review of IICA's Compliance Information</i> | | | | | |
| 34. | Annually | Perform periodic review of IICA's responses to the IFAC Part 2, SMO Self-Assessment Questionnaire and update sections relevant to SMO 6 as necessary and inform IFAC Compliance staff about the updates. | Done | IFAC Committee | IICA Staff |

Action Plan Subject: SMO 7 International Financial Reporting Standards (IFRSs)
Action Plan Objective: Promoting IFRSs in Iran.

| # | Start Date | Actions | Completion Date | Responsibility | Resource |
|--|------------|--|--|--|------------|
| <i>Background:</i> | | | | | |
| The Iranian Accounting Standards are developed by Audit Organization, since 2000. However, the national standards are mainly based on IFRSs, all PLCs, banks, insurance companies, and other financial institutions are required to use IFRS Standards, since 2016. IICA provides training services to Iranian professional accountants on the Iranian Accounting Standards and IFRSs. | | | | | |
| 35. | Sep-12 | Encourage Audit Organization in adopting IFRSs in Iran. | Done. (Implemented from 2016 onwards) | Accounting & Auditing Research Committee | IICA Staff |
| 36. | Oct-12 | To present <IFRSs as the Global Standards: Setting a Strategy for the Foundation's Second Decade> to the IICA Board. | Done | Accounting & Auditing Research Committee | IICA Staff |
| 37. | Quarterly | Holding training courses on <IFRS for Small and Medium Enterprises (SMEs)> based on <IFRS for SMEs training material>. | Done | Training Committee | PACT |
| 38. | Quarterly | Holding training courses on <International Financial Reporting Standards> based on <IFRS Education Initiative>. | Done | Training Committee | PACT |
| <i>Maintaining Ongoing Processes</i> | | | | | |
| 39. | Monthly | Monthly review of latest IFRS Foundation announcements for planning purposes. | Done | Accounting & Auditing Research Committee | IICA Staff |
| <i>Review of IICA's Compliance Information</i> | | | | | |
| 40. | Annually | Perform periodic review of IICA's responses to the IFAC Part 2, SMO Self-Assessment Questionnaire and update sections relevant to SMO 7 as necessary and inform IFAC Compliance staff about the updates. | Done | IFAC Committee | IICA Staff |