

## **BACKGROUND NOTE ON ACTION PLANS**

SMO Action Plans are developed by IFAC Members and Associates to demonstrate fulfillment of IFAC Statements of Membership Obligations (SMOs). SMOs require IFAC Members and Associates to support the adoption<sup>1</sup> and implementation<sup>2</sup> of international standards and other pronouncements issued by independent standard-setting boards under the auspices of IFAC as well as by the International Accounting Standards Board (IASB); and to establish a Quality Assurance (QA) review and Investigation and Disciplinary (I&D) systems.

IFAC Members and Associates conduct a self-assessment against the requirements of SMOs and identify areas where improvements are needed. Based on the results of the assessment, Members and Associates develop an SMO Action Plan to (a) demonstrate how they fulfill the requirements of the SMOs and (b) where some requirements are not yet addressed, to present plans towards their fulfillment.

SMO Action Plans are designed to be ever-green documents that provide a comprehensive description of the accountancy profession and its legislative and regulatory environment in the jurisdiction as well as the actions undertaken by IFAC Members or Associates to support adoption and implementation of international standards and best practices.

Regular updates of the SMO Action Plans are required as part of the IFAC Member Compliance Program.

### **Use of Information**

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

## **ACTION PLAN**

<b>IFAC Member:</b>	The Hong Kong Institute of Certified Public Accountants (HKICPA)
<b>Original Publish Date:</b>	July 2009
<b>Last Updated:</b>	September 2016
<b>Next Update:</b>	September 2018

---

<sup>1</sup> *Adoption* is concerned with the decision that international standards are appropriate for use in specific national financial reporting environments and with the actions necessary to effect those decisions, including incorporation into national requirements or requiring the use of international standards through law. Adoption may include a process to review draft international standards, translation, public exposure of proposed standards, approval, incorporation into national requirements as necessary, and promulgation of final standards, and, where applicable, a convergence process to eliminate or minimize differences between international and national standards.

<sup>2</sup> *Implementation* may include a process to build awareness of the adopted standards, provide relevant education and training, develop or disseminate implementation guidance and any other activities that promote proper understanding and use of the standards in practice.

## **GLOSSARY**

<b>AASC</b>	Auditing and Assurance Standards Committee (HKICPA)
<b>CPD</b>	Continuing Professional Development
<b>EC</b>	Ethics Committee (HKICPA)
<b>ED</b>	Exposure Draft
<b>FRC</b>	Financial Reporting Council
<b>FRSC</b>	Financial Reporting Standards Committee (HKICPA)
<b>HKFRSs</b>	Hong Kong Financial Reporting Standards
<b>HKICPA</b>	Hong Kong Institute of Certified Public Accountants
<b>HKSAs</b>	Hong Kong Standards on Auditing
<b>IAASB</b>	International Auditing and Assurance Standards Board
<b>IAESB</b>	International Accounting Education Standards Board
<b>IASB</b>	International Accounting Standards Board
<b>IEIPS</b>	Information Papers from the International Accounting Education Standards Board
<b>IEPS</b>	International Education Practice Statements
<b>IES</b>	International Education Standards
<b>IESBA</b>	International Ethics Standards Board for Accountants
<b>IFAC</b>	International Federation of Accountants
<b>IFRS</b>	International Financial Reporting Standards
<b>IPSAS</b>	International Public Sector Accounting Standards
<b>PAO</b>	Professional Accountants Ordinance
<b>PCC</b>	Professional Conduct Committee (HKICPA)
<b>PRC</b>	Practice Review Committee (HKICPA)
<b>PQAB</b>	Professional Qualifications Accountability Board (HKICPA)
<b>QA</b>	Quality Assurance
<b>QP</b>	Qualification Programme
<b>RAB</b>	Regulatory Accountability Board (HKICPA)
<b>SME</b>	Small and Medium Enterprises
<b>SMP</b>	Small and Medium Practices
<b>SQAB</b>	Standards and Quality Accountability Board (HKICPA)

**Action Plan Subject:** SMO 1–Quality Assurance  
**Action Plan Objective:** Continue to Ensure High Standard of Quality Control and Quality Assurance Review System for Members and Member Firms Performing Statutory Audits and other Related Assurance Services

**Background:**

The quality assurance functions of the HKICPA have two components: the practice review programme (inspection of practice units) and the review of published financial statements of companies listed on the Stock Exchange of Hong Kong Limited.

HKICPA's practice review programme, which was started in 1993 and revised in 2006, is operated under the authority of the PAO. The practice review programme covers all practice units performing audits of financial statements and all audits performed by them. Practice review monitors compliance by practice units with professional standards including Hong Kong Standard on Quality Control 1 which is converged with its international equivalent. It also includes reviews of completed audit and assurance engagements, including audits of financial statements of listed entity clients. A mixed approach has been adopted for selecting practice units for review in that a three year cycle approach is used for selecting practice units with listed clients (although the Big Four are reviewed annually) and a risk based approach is used for selecting practice units without listed clients. Practice reviews are carried out by full time staff members employed by the HKICPA who have more than 5 years' post qualification experience gained mostly in auditing. The PAO requires a written report to be issued upon conclusion of each practice review. A timeline is set if follow up action is required following a practice review. A practice review case with serious findings may referred to a disciplinary committee for consideration and, if appropriate, sanctioning.

More detailed information regarding HKICPA's Quality Assurance Programme is available on its website ([www.hkicpa.org.hk](http://www.hkicpa.org.hk)) under Quality Assurance.

The SQAB, which is a non-statutory board comprising CPAs and lay members, acts on behalf of the Council of HKICPA to ensure that the quality assurance function of the HKICPA is being carried out in accordance with strategies and policies determined by the Council of HKICPA, and in the public interest. The SQAB meets regularly to oversee the performance and operations of the Institute's quality assurance department and committee that carry out the quality assurance functions of HKICPA.

#	Start Date	Actions	Completion Date	Responsibility	Resource
<i>Maintaining Ongoing Processes</i>					
1.	Ongoing	Continue to ensure that the HKICPA Practice Review program is operating effectively and in line with SMO1 requirements. The program is subject to scrutiny and oversight by the PRC and the SQAB. Review procedures manual was fully updated in 2014 to incorporate changes arising from the revision of SMO 1 and new procedures agreed by the PRC. Ongoing revisions are made to incorporate new procedures.	Ongoing	Executive Director, Standards & Regulation; Director Quality Assurance	HKICPA staff

#	Start Date	Actions	Completion Date	Responsibility	Resource
2.	2012	To enhance oversight of the practice review programme, the PRC carries out an annual process review of the practice review work carried out by the quality assurance department to assess whether the department adheres to the Institute's established procedures and the practice review programme continues to meet SMO 1 requirements.	Ongoing	Director Quality Assurance	PRC
3.	2011	The system of audit regulation in Hong Kong is undergoing reform to introduce independent responsibility for and oversight of inspection of listed company audits. The HKICPA will work closely with other parties to ensure changes that are made do not diminish the effectiveness of the current review program.	2018	Chief Executive and Executive Director	HKICPA staff
4.	Ongoing	Continue to develop the professional standards monitoring program (review of published financial statements of listed companies) to ensure an effective mechanism for monitoring and maintaining the quality of financial reporting in Hong Kong. Co-ordinate the review programme with similar programmes carried out by the FRC and Hong Kong Stock Exchange to avoid duplication of effort and ensure an effective review of listed company financial reporting.	Ongoing	Director, Quality Assurance	HKICPA staff
5.	2008	Publication of an annual report on the activities of the quality assurance department. The reports are made available to the public at the HKICPA website. <a href="http://www.hkicpa.org.hk/en/standards-and-regulations/quality-assurance/practice-review/publications-reference/">http://www.hkicpa.org.hk/en/standards-and-regulations/quality-assurance/practice-review/publications-reference/</a>	Ongoing	Director, Quality Assurance	HKICPA staff
<i>Review of HKICPA's Compliance Information</i>					
6.	Ongoing	Review HKICPA's SMO Action Plan and update as necessary.	Ongoing	Quality Assurance Department	HKICPA staff

**Action Plan Subject:** SMO 2–International Education Standards for Professional Accountants and Other Pronouncements Issued by the IAESB

**Action Plan Objective:** Continue to Notify HKICPA Members of Documents Issued by the IAESB and to Use Best Endeavors to Ensure that all IES Requirements are incorporated into the HKICPA Professional Accountancy Education System

**Background:**

HKICPA education requirements are in full compliance with all IESs, and in some areas more stringent (revisions to IESs are accommodated in local requirements as appropriate).

The QP comprises four modules and a final examination. Depending on the academic qualifications of the membership applicant, the period of full-time practical experience will be three, four or five years:

- Approved degree holders or HKIAAT graduates who have passed the QP - 3 years
- Approved accountancy diploma holders - 4 years
- Holders of other academic qualifications - 5 years

CPD requirements are in line with IES7. For more information regarding admission and education requirements, please visit the organization website (<http://www.hkicpa.org.hk/>).

IES 8 will be adopted with effect from 1 July 2016. Support materials and events are being developed for implementation by members and member firms.

The below actions focus principally on New Developments in the HKICPA Qualification Programme, Specialist Qualifications and Continuing Professional Development (CPD).

The PQAB, which is a non-statutory board comprising CPAs and lay members, acts on behalf of the Council of HKICPA to ensure that the professional qualifications and education functions of the Institute are being carried out in accordance with strategies and policies determined by the Council of HKICPA, and in the public interest. The PQAB meets regularly to oversee the performance and operations of the Institute's education and professional development departments and boards and committees that carry out the educational functions of HKICPA.

#	Start Date	Actions	Completion Date	Responsibility	Resource
<i>Maintain Ongoing Processes</i>					
7.	Ongoing	Maintain an ongoing process to ensure that members are notified of all relevant IAESB publications relating to the CPA qualification.	Ongoing	Executive Director	Institute staff
8.	Ongoing	Continuously review new IESs and EDs in preparation of the action plan for incorporation where necessary.	Ongoing	Executive Director	Institute staff

#	Start Date	Actions	Completion Date	Responsibility	Resource
9.	Ongoing	Maintain an ongoing process to ensure that members are notified of all relevant IAESB papers relating to CPD.	Ongoing	Director of Education & Training	Institute staff
<i>New Developments-Qualification Programme (QP)</i>					
10.	Ongoing	Perform peer review, including IES compliance, with other Institutes in the Global Accounting Alliance, an informal group of top tier accountancy bodies. Given a clean report by the Global Accounting Alliance in its 2012 review. The next review will be in 2017.	Ongoing	Executive Director	Global Accounting Alliance and Institute staff
11.	Ongoing	Perform periodic review of the QP to ensure ongoing benchmarking against all IES requirements and international best practice. Competency requirements are validated by the Qualification and Examinations Board to ensure they meet relevant employers' and market needs.	Ongoing	Executive Director	Stakeholders represented in the Institute's Qualification and Examinations Board
<i>Specialist Qualifications</i>					
12.	2010	Continued to offer the HKICPA's first specialist qualification and designation, in insolvency. In addition, offer specialist qualifications in Hong Kong Taxation and China Taxation.	Ongoing	Director of Education & Training	Institute staff
<i>CPD</i>					
13.	2013	Implemented redrafted IES7 (Clarified standard on CPD).	May 2013 Completed	Director, Admission	Institute staff
14.	2016	Offer the Financial Controllership Programme for qualified accountants to further develop the necessary competencies and skills in performing the role as a Financial Controller.	May 2016	Director of Education & Training	Institute staff
<i>Review of HKICPA's Compliance Information</i>					
15.	Ongoing	Review HKICPA's SMO Action Plan and update as necessary.	Ongoing	Executive Director	Institute staff

**Action Plan Subject:** SMO 3—International Standards and other Pronouncements Issued by the IAASB  
**Action Plan Objective:** Convergence with the International Auditing and Assurance Standards Board (IAASB) Pronouncements

<b>Background:</b>					
<p>In 2001 the Council of HKICPA adopted the policy of converging all HKSAs with International Standards on Auditing (ISAs) issued by the IAASB. Fully converged HKSA were issued in 2004 and 2005. Clarified HKSAs were issued in 2010 to align with Clarified ISAs. HKSAs are approved by the Council of HKICPA and AASC. The local standard setting process follows that of the IAASB so that converged HKSAs are issued shortly after IAASB issues new or amended ISAs.</p> <p>The SQAB, which is a non-statutory board comprising CPAs and lay members, acts on behalf of the Council of HKICPA to ensure that the standard setting function of the Institute is being carried out in accordance with strategies and policies determined by the Council of HKICPA, and in the public interest. The SQAB meets regularly to oversee the performance and operations of the Institute's standard setting department and committees which carry out the standard setting functions of HKICPA.</p>					
#	Start Date	Actions	Completion Date	Responsibility	Resource
<i>Maintaining Ongoing Convergence with ISAs/ISQC 1 and Contribution to Standard Setting Activities of IAASB</i>					
16.	Ongoing	Update of the Members' Handbook for adoption of newly issued/revised Standards by the IAASB and continue to ensure that any changes made to adopt ISAs are in line with the IAASB Policy Position on Modifications to IAASB Standards.	Ongoing	HKICPA Council and AASC	Members of AASC and staff of Standard Setting Department
<i>New Developments – Adoption of Clarified Standards, Update of Education and Training Activities, and Technical Support Guidance</i>					
17.	Ongoing	Review of IAASB agenda materials, exposure drafts and making submissions: Invitation to comment <a href="http://www.hkicpa.org.hk/en/standards-and-regulations/standards/auditing-assurance/exposure-drafts/">http://www.hkicpa.org.hk/en/standards-and-regulations/standards/auditing-assurance/exposure-drafts/</a> Submission <a href="http://www.hkicpa.org.hk/en/standards-and-regulations/standards/auditing-assurance/auditing-assurance-submissions/">http://www.hkicpa.org.hk/en/standards-and-regulations/standards/auditing-assurance/auditing-assurance-submissions/</a>	Ongoing	Executive Director, Standards & Regulation	Members of AASC and staff of Standard Setting Department

#	Start Date	Actions	Completion Date	Responsibility	Resource
<i>Education and Training Activities</i>					
18.	Ongoing	Review education training strategies on new and existing HKSAs.	Ongoing	Executive Director Standards and Regulation	Staff of Standard Setting Department
19.	Ongoing	Development of Technical Update Evening Seminars < <a href="http://www.hkicpa.org.hk/en/standards-and-regulations/technical-resources/tue/">http://www.hkicpa.org.hk/en/standards-and-regulations/technical-resources/tue/</a> >, Annual Auditing Conference, Forums.	Ongoing	Executive Director Standards and Regulation	Staff of Standard Setting Department
<i>Technical Support</i>					
20.	Ongoing	Development of guidance such as Practice Notes and Circulars.	Ongoing	AASC and Executive Director Standards and Regulation	Staff of Standard Setting Department
21.	Ongoing	Provide guidance and assistance on adoption of ISAs through the following channels: Technical Enquiry System <a href="http://www.hkicpa.org.hk/professionaltechnical/policy/content.php">http://www.hkicpa.org.hk/professionaltechnical/policy/content.php</a> APlus <a href="http://app1.hkicpa.org.hk/oldsite/APLUS.php">http://app1.hkicpa.org.hk/oldsite/APLUS.php</a> TechWatch <a href="http://www.hkicpa.org.hk/en/standards-and-regulations/technical-resources/techwatch/">http://www.hkicpa.org.hk/en/standards-and-regulations/technical-resources/techwatch/</a>	Ongoing	Executive Director Standards and Regulation	Staff of Standard Setting Department
22.	Ongoing	Continue to provide training on the HKICPA Audit Practice Manual: <a href="http://www.hkicpa.org.hk/en/standards-and-regulations/technical-resources/tue/">http://www.hkicpa.org.hk/en/standards-and-regulations/technical-resources/tue/</a>	Ongoing	Executive Director Standards and Regulation	Staff of Standard Setting Department
23.	Ongoing	Continue to provide training on quality control via "A Guide to Quality Control": <a href="http://www.hkicpa.org.hk/en/standards-and-regulations/technical-resources/tue/">http://www.hkicpa.org.hk/en/standards-and-regulations/technical-resources/tue/</a>	Ongoing	Executive Director Standards and Regulation	Staff of Standard Setting Department



<b>#</b>	<b>Start Date</b>	<b>Actions</b>	<b>Completion Date</b>	<b>Responsibility</b>	<b>Resource</b>
<i>Review of HKICPA's Compliance Information</i>					
24.	Ongoing	Review HKICPA's SMO Action Plan and update as necessary.	Ongoing	Executive Director- Standards and Regulation	Staff of Standard Setting Department

**Action Plan Subject:** SMO 4–IESBA Code of Ethics for Professional Accountants  
**Action Plan Objective:** Convergence with IESBA Pronouncements

**Background:**

Convergence of the HKICPA Code of Ethics for Professional Accountants with the Code of Ethics issued by the IESBA was announced in 2005 and has been maintained since then.

The HKICPA Code was revised and issued subsequent to the issue of the revised IESBA Code in 2010. Parts A, B and C of the HKICPA Code are identical to the 2015 IESBA Code. Part D of the HKICPA Code provides additional guidance to members to reflect local circumstances and Part E of the HKICPA Code provides additional guidance on insolvency and liquidation.

The local standard setting process follows that of the IESBA so that converged statements are issued shortly after the IESBA issues new or amended content of the Code of Ethics.

The SQAB, which is a non-statutory board comprising CPAs and lay members, acts on behalf of the Council of HKICPA to ensure that the standard setting function of the Institute is being carried out in accordance with strategies and policies determined by the Council of HKICPA, and in the public interest. The SQAB meets regularly to oversee the performance and operations of the Institute's standard setting department and committees which carry out the standard setting functions of HKICPA.

#	Start Date	Actions	Completion Date	Responsibility	Resource
<i>Maintaining Ongoing Convergence with IESBA Code of Ethics and Contribution to Standard Setting Activities of IESBA</i>					
25.	Ongoing	Update of the Members' Handbook for adoption of newly issued/revised Code of Ethics by the IESBA.	Ongoing	HKICPA Council and EC	Members of EC and staff of Standard Setting Department
<i>New Developments – Adoption of Revised Code of Ethics, Update of Education and Training Activities and Technical Support Guidance</i>					
26.	Ongoing	Review of IESBA agenda materials, exposure drafts and making submissions: Invitation to comment <a href="http://www.hkicpa.org.hk/en/standards-and-regulations/standards/code-of-ethics/exposure-drafts/">http://www.hkicpa.org.hk/en/standards-and-regulations/standards/code-of-ethics/exposure-drafts/</a> Submission <a href="http://www.hkicpa.org.hk/en/standards-and-regulations/standards/code-of-ethics/submissions/">http://www.hkicpa.org.hk/en/standards-and-regulations/standards/code-of-ethics/submissions/</a>	Ongoing	Executive Director, Standards & Regulation	Members of EC and staff of Standard Setting Department

#	Start Date	Actions	Completion Date	Responsibility	Resource
<i>Education and Training Activities</i>					
27.	Ongoing	Review communication, education and training strategies on both new and existing IESBA pronouncements.	Ongoing	Associate Director - Standard Setting	Staff of Standard Setting Department
28.	Ongoing	Raise members' awareness of emerging issues and develop educational activities to enhance members' knowledge of newly issued IESBA pronouncements through Technical Update Evening: <a href="http://www.hkicpa.org.hk/en/standards-and-regulations/technical-resources/tue/">http://www.hkicpa.org.hk/en/standards-and-regulations/technical-resources/tue/</a>	Ongoing	Associate Director - Standard Setting	Staff of Standard Setting Department
<i>Technical Support</i>					
29.	Ongoing	Provide guidance and assistance on adoption of HKICPA Code through the following channels: Technical Enquiry System <a href="http://www.hkicpa.org.hk/professionaltechnical/policy/content.php">http://www.hkicpa.org.hk/professionaltechnical/policy/content.php</a> APlus <a href="http://app1.hkicpa.org.hk/oldsite/APLUS.php">http://app1.hkicpa.org.hk/oldsite/APLUS.php</a> TechWatch <a href="http://www.hkicpa.org.hk/en/standards-and-regulations/technical-resources/techwatch/">http://www.hkicpa.org.hk/en/standards-and-regulations/technical-resources/techwatch/</a>	Ongoing	Associate Director - Standard Setting	Staff of Standard Setting Department
30.	March 2011	Special Task Force on Adoption of the HKICPA Code by Small and Medium Practitioners (SMP) to look into issues that SMPs are facing on adoption of the HKICPA Code. Guidance to SMPs on application of the Code was issued in 2013. The task force activity has been scaled back to a "watching brief."	Ongoing	Associate Director - Standard Setting	Members of Special Task Force and staff of Standard Setting Department
<i>Review of Compliance Information</i>					
31.	Ongoing	Review HKICPA's SMO Action Plan and update as necessary.	Ongoing	Executive Director- Standards & Regulation	Staff of Standard Setting Department

**Action Plan Subject:** SMO 5–International Public Sector Accounting Standards and Other Pronouncements Issued by the IPSASB  
**Action Plan Objective:** To Address the Standard Setting Issues in Public Sector and Not-for-Profit Entities

**Background:**

HKICPA is not responsible for setting public sector accounting standards, the standards (guidelines) that apply to the preparation of financial statements in the public sector, and the laws which outline responsibilities and requirements for public sector accounting standards.

IPSAS have not been adopted in Hong Kong and the Hong Kong SAR Government does not currently have plans to adopt the standards. Central Government accounts are prepared on a cash basis. The Government also prepares annual consolidated "whole of government" accounts that include all government controlled entities, on an accrual basis. There is a wide range of public sector entities, including bodies with substantial government holdings that are publicly listed and prepare financial statements in accordance with HKFRS.

In line with its commitment to converging local private sector accounting standards to IFRS, HKICPA believes that IPSAS do provide a suitable framework for public sector accounting. HKICPA supports and facilitates dialogue on the desirability of introducing such a framework and promotes the need for robust and transparent public sector accounting. HKICPA will monitor the position and intentions of the Hong Kong Government regarding public sector accounting standards and if it becomes appropriate will encourage consideration of the use of IPSAS. IPSAS consultations and pronouncements are communicated to members and we understand that the Hong Kong SAR Government directly monitors IPSASB communications. HKICPA will continue to take steps to ensure relevant Government officers are aware of significant activities of IPSASB.

HKICPA also supports the development of financial reporting standards for not-for-profit-entities. HKICPA plans to undertake research on the needs of our not-for-profit entities to better understand which accounting framework (IFRS or IPSAS) would better suit this sector. HKICPA has been running a programme "CPAs for NGOs" since 2013. <http://www.hkicpa.org.hk/en/communications/community-projects/cpa-ngo-program/>

#	Start Date	Actions	Completion Date	Responsibility	Resource
<i>Promote the Use of IPSASs</i>					
32.	Ongoing	Continue to support the research on IPSASs.	Ongoing	Head of Financial Reporting	Members of FRSC and staff of Standard Setting Department
33.	Ongoing	Continue to use best endeavors to monitor the development of financial reporting standards on public sector and not-for-profit entities, such as IPSASs and issue further papers to decide whether to set financial reporting standards on such.	Ongoing	Head of Financial Reporting	Members of FRSC and staff of Standard Setting Department

#	Start Date	Actions	Completion Date	Responsibility	Resource
<i>Review of Compliance Information</i>					
34.	Ongoing	Review HKICPA's SMO Action Plan and update as necessary.	Ongoing	Executive Director- Standards & Regulation	Staff of Standard Setting Department

**Action Plan Subject:** SMO 6—Investigation and Discipline

**Action Plan Objective:** Maintain an Effective and Transparent System of Investigation and Discipline that Commands Public Confidence

**Background:**

The HKICPA deals with complaints concerning the ethical and professional conduct of its members, member practices and registered students. Complaints involving listed entities that appear to be “relevant irregularities” as defined in the Financial Reporting Council Ordinance are outside the jurisdiction of the Institute and are investigated by the FRC. The FRC has no enforcement powers and the results of FRC investigations concerning HKICPA members are referred back to the HKICPA for consideration of disciplinary action.

Complaints are dealt with by the PCC of HKICPA which has powers delegated to it by the Council of HKICPA to adjudicate minor complaints or dismiss complaints where there is inadequate evidence to show a prima facie case of an alleged offence. The PCC may refer serious complaints to the Council of HKICPA for its consideration of referring the matter to the Investigation or Disciplinary Panels.

The investigatory and disciplinary powers of the HKICPA are set out in the PAO. Disciplinary Committee Proceedings Rules and Guidelines to Disciplinary Committees are issued to bring a greater degree of consistency and independence to the disciplinary process.

More detailed information regarding HKICPA’s Investigation and Discipline policies is available on its website ([www.hkicpa.org.hk](http://www.hkicpa.org.hk)) under Compliance.

The RAB, which is a non-statutory board comprising CPAs and lay members, acts on behalf of HKICPA Council to ensure that the regulatory function of the Institute is being carried out in accordance with strategies and policies determined by the Council of HKICPA, and in the public interest. The RAB meets regularly to oversee the performance and operations of the Institute’s compliance department which supports the investigation and disciplinary function of HKICPA.

#	Start Date	Actions	Completion Date	Responsibility	Resource
<i>Maintaining Ongoing Processes</i>					
35.	2012	As part of its oversight functions, the RAB conducts annual process reviews of the operations of the compliance department to assess whether the department adheres to the Institute's established procedures when handling complaints, investigation and disciplinary cases. The results of the reviews are published and made available to the public at the HKICPA website. <a href="http://www.hkicpa.org.hk/en/standards-and-regulations/compliance/publications-reference/">http://www.hkicpa.org.hk/en/standards-and-regulations/compliance/publications-reference/</a>	Annually	Executive Director, Standards & Regulation; Director, Compliance	RAB

#	Start Date	Actions	Completion Date	Responsibility	Resource
36.	2013	Annual Operations Reports of the compliance department of the Institute summarizing the nature and outcome of cases handled by the compliance department during the year are prepared and published. The reports also explain the activities which the department undertakes to support the regulatory function of the Institute. The reports are made available to the public at the HKICPA website. <a href="http://www.hkicpa.org.hk/en/standards-and-regulations/compliance/publications-reference/">http://www.hkicpa.org.hk/en/standards-and-regulations/compliance/publications-reference/</a>	Annually	Executive Director, Standards & Regulation; Director, Compliance	HKICPA staff
37.	Ongoing	Continuous monitoring and evaluation of the complaints handling, investigation and disciplinary processes are undertaken to ensure that they are operating effectively and in line with SMO 6 requirements. These processes are subject to scrutiny and oversight by the PCC and the RAB.	Ongoing	Executive Director, Standards & Regulation; Director, Compliance; General Counsel	HKICPA staff, PCC and RAB
38.	Ongoing	Raise members' awareness on consequences of non-compliance of professional and ethical standards of HKICPA by publication of nature of complaints received and past disciplinary orders and annual compliance forums.	Ongoing	Executive Director, Standards & Regulation; Director, Compliance	HKICPA staff
<i>Review of HKICPA's Compliance Information</i>					
39.	Ongoing	Review HKICPA's SMO Action Plan and update as necessary.	Ongoing	Executive Director, Standards & Regulation; Director, Compliance	HKICPA staff

**Action Plan Subject:** SMO 7–International Financial Reporting Standards and Other Pronouncements issued by the IASB  
**Action Plan Objective:** Convergence with International Accounting Standards Board (IASB) Pronouncements

<b>Background:</b>					
<p>In 2001 the Council of the HKICPA adopted the policy of converging all HKFRSs with IFRSs issued by the IASB. HKFRS are identical to IFRSs. The local standard setting process follows that of the IASB so that converged HKFRSs are issued shortly after IASB issues new or amended IFRSs. The SQAB, which is a non-statutory board comprising CPAs and lay members, acts on behalf of the Council of HKICPA to ensure that the standard setting function of the Institute is being carried out in accordance with strategies and policies determined by the Council of HKICPA, and in the public interest. The SQAB meets regularly to oversee the performance and operations of the Institute's standard setting department and committees which carry out the standard setting functions of HKICPA.</p>					
#	Start Date	Actions	Completion Date	Responsibility	Resource
<i>Maintaining Ongoing Convergence with IASB Pronouncements and Contribution to Standard Setting Activities of IASB</i>					
40.	Ongoing	Update of the Members' Handbook for adoption of newly issued/revised Standards and Interpretations by the IASB.	Ongoing	HKICPA Council and FRSC	Members of FRSC and staff of Standard Setting Department
<i>New Developments – Adoption of new and revised Financial Reporting Standards, Update of Education and Training Activities and Technical Support Guidance</i>					
41.	Ongoing	<p>Review of IASB discussion papers, exposure drafts and making submissions:            Invitation to comment  <a href="http://www.hkicpa.org.hk/en/standards-and-regulations/standards/financial-reporting/exposure-drafts/">http://www.hkicpa.org.hk/en/standards-and-regulations/standards/financial-reporting/exposure-drafts/</a>            Submissions:  <a href="http://www.hkicpa.org.hk/en/standards-and-regulations/standards/financial-reporting/financial-reporting-submissions/">http://www.hkicpa.org.hk/en/standards-and-regulations/standards/financial-reporting/financial-reporting-submissions/</a></p> <p>In addition to receiving written submissions, meet with key accounting and finance personnel in business, in practice, academics, investor analysts and regulators to discuss the proposed amendments or standards and the views on the proposals.</p>	Ongoing	Head of Financial Reporting	Members of FRSC and staff of Standard Setting Department



#	Start Date	Actions	Completion Date	Responsibility	Resource
42.	Ongoing	Host roundtable discussions or forums.	Ongoing	Head of Financial Reporting, Standard Setting	Members of FRSC and staff of Standard Setting Department
<i>Education and Training Activities</i>					
43.	Ongoing	Review training strategies on both new and existing HKFRSs.	Ongoing	Head of Financial Reporting	Staff of Standard Setting Department
44.	Ongoing	Raise members' awareness on emerging issues and develop educational activities to enhance members' knowledge of newly issued financial reporting standards and gather their views on proposed Standards and Interpretations issued by IASB through the following channels: Technical Update Evening <a href="http://www.hkicpa.org.hk/en/standards-and-regulations/technical-resources/tue/">http://www.hkicpa.org.hk/en/standards-and-regulations/technical-resources/tue/</a> Financial Reporting Forum <a href="http://www.hkicpa.org.hk/en/standards-and-regulations/technical-resources/major-events/">http://www.hkicpa.org.hk/en/standards-and-regulations/technical-resources/major-events/</a> Annual Accounting Update. E-learning.	Ongoing	Head of Financial Reporting	Staff of Standard Setting Department
45.	April 2016	Undertake research to support the development of standards.	Ongoing	Head of Financial Reporting, Standard Setting	Staff of Standard Setting Department and Members of FRSC
<i>Technical Support</i>					
46.	Ongoing	Provides guidance and assistance on adoption of HKFRSs through the following channels: Technical Enquiry System <a href="http://www.hkicpa.org.hk/professionaltechnical/policy/content.php">http://www.hkicpa.org.hk/professionaltechnical/policy/content.php</a> TechWatch <a href="http://www.hkicpa.org.hk/en/standards-and-regulations/technical-resources/techwatch/">http://www.hkicpa.org.hk/en/standards-and-regulations/technical-resources/techwatch/</a> Financial reporting and auditing alert	Ongoing	Head of Financial Reporting	Staff of Standard Setting Department

#	Start Date	Actions	Completion Date	Responsibility	Resource
		<a href="http://www.hkicpa.org.hk/en/standards-and-regulations/technical-resources/financial-and-auditing-alert/">http://www.hkicpa.org.hk/en/standards-and-regulations/technical-resources/financial-and-auditing-alert/</a> Staff Summary of Financial Reporting Standards <a href="http://www.hkicpa.org.hk/en/standards-and-regulations/technical-resources/staff-summary/">http://www.hkicpa.org.hk/en/standards-and-regulations/technical-resources/staff-summary/</a> Small and Medium Practices (SMP) and Small and Medium Enterprises (SME) Resource Centre <a href="http://www.hkicpa.org.hk/en/standards-and-regulations/technical-resources/smp-and-sme-resource-centre/">http://www.hkicpa.org.hk/en/standards-and-regulations/technical-resources/smp-and-sme-resource-centre/</a> HKFRS for Private Entities Information Centre <a href="http://www.hkicpa.org.hk/en/standards-and-regulations/standards/hkfrs-pe-info-centre/">http://www.hkicpa.org.hk/en/standards-and-regulations/standards/hkfrs-pe-info-centre/</a>			
<i>Review of Compliance Information</i>					
47.	Ongoing	Review HKICPA's SMO Action Plan and update as necessary.	Ongoing	Executive Director - Standards & Regulation	Staff of Standard Setting Department