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[1] and implementation[2] 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

IFAC Member: Institute of Chartered Accountants of Zimbabwe (ICAZ)
Original Publish Date: July 2010
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[1] *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.

[2] *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:

AGM	Annual General Meeting
APC	Accounting Procedures Committee
APSC	Auditing and Professional Standards Committee
CA	Chartered Accountant
CA(Z)	Chartered Accountant (Zimbabwe)
CEO	Chief Executive Officer of ICAZ
CPD	Continuous Professional Development Committee
DNC	Developing Nations Committee
EB	Examination Board
EC	Education Committee
I&D	Investigation and Discipline
IAASB	International Auditing and Assurance Standards Board
IAESB	International Accounting Education Standards Board
IAS	International Accounting Standard
IASB	International Accounting Standards Board
ICAZ	Institute of Chartered Accountants of Zimbabwe (or the Institute)
ICT	Information and Communication Technology
IES	International Education Standard
IESBA	International Ethics Standards Board for Accountants
IFAC	International Federation of Accountants
IFRS	International Financial Reporting Standard
IPSAS	International Public Sector Accounting Standard
IPSASB	International Public Sector Accounting Standards Board
ISA	International Standard on Auditing
ISQC 1	International Standards on Quality Control
PAAB	Public Accountants & Auditors Board (Zimbabwe)
PR	Public Relations
PSC	Public Sector Committee
QA	Quality Assurance
SAICA	South African Institute of Chartered Accountants
SME	Small and Medium Enterprises
SMO	Statement of Membership Obligations
TOLC	Tax and Other Legislation Committee

ICAZ–SECRETARIAT

The Institute is led by the CEO–Matthews T. Kunaka, who is a member of the Institute as well as a member of both ICAEW and the South African Institute of Chartered Accountants (SAICA). He has over 30 years' experience in the profession and also sits as a committee member of IFAC's Professional Accountants in Business (PAIB) Committee.

ICAZ is the only IFAC member body in Zimbabwe and endeavors to maintain its membership status as well as to assist any other accounting related professional bodies in Zimbabwe to join IFAC.

Action Plan Subject: SMO 1 – Quality Assurance
Action Plan Objective: **To ensure members and member firms conduct themselves in a manner which does not bring the name of the profession into disrupt.**

Background:

ICAZ took the decision to discontinue with their Practice Reviews as the PAAB Practice Reviews meet the SMO 1 objectives. Historically ICAZ had in place an active Practice Review Committee (PRC). The PRC's mandate was to review each practicing accountant at least once every three years. Awareness programs to members are being done through Continuous Professional Development (CPD) and bulletins. ICAZ will also continue to assist audit firms in performing their attest function according to quality control standards by providing relevant CPD for both professional accountants in business and practicing auditors. The relevant issues are identified by the APC, APSC and then CPD is administered by the CPD committee.

Quality reviews are being conducted by the Public Accountants and Auditors Board (PAAB), which is the accounting and auditing profession's regulatory body in Zimbabwe, the responsibility previously carried by ICAZ before the formation of PAAB. These quality reviews resumed in August 2012. Under the Public Accountants and Auditors Act 1996 (Chapter 27:12), as amended in 2016, the Public Accountants and Auditors Board (PAAB) is authorized to carry out practice reviews and inspections to monitor audit quality. All audits are subject to mandatory QA reviews. The PAAB is in the third year of the second cycle—which ends in 2018—and has covered over 75% of scheduled reviews, both firm-wide and file engagements.

Since August 2012, quality assurance (QA) reviews have been conducted by the PAAB. Prior to 2012, ICAZ had carried out QA reviews but has since discontinued conducting its practice reviews. The QA review system introduced by the PAAB meets the requirements of SMO 1 as noted in the table below.

The guiding standards for the quality reviews are the International Standards for Auditing, IFRS and the ISQC1. Quality reviews being done by PAAB aim at ensuring the following: regulation of the audit profession; that audit quality is kept up to standard; that there is independence; that client continuous and acceptance procedures are being followed; ethics are being adhered to, auditors are remaining independent in thought and in appearance from their clients and that human resources are up to the required standard depending on the client they are auditing. The reviews are broken down between engagement reviews and firm reviews.

Internally ICAZ carries out its own Quality Assurance programs. The two areas ICAZ is now reviewing are Training Offices compliance to the ICAZ training regulations and program and Monitoring of Audit Reports through reviews done by the APC.

#	Start Date	Actions	Completion Date	Responsibility	Resource
Re-accreditation of Training Offices (Office Review Visits)					
1.	January 2014	It is now a requirement of the ICAZ Education Committee for all accredited training offices of ICAZ to be accredited at least once in three years. Reviewers appointed by the Education Committee visit the firms to assess compliance of the firm in terms of adhering to the education regulations as laid down by ICAZ which are in terms of the	Ongoing	Education Committee	ICAZ Staff and Committee members

		IESB Competence Framework. Offices are rated to indicate their level of compliance. The next office visit will depend on the level of compliance.			
2.	January 2017	To purchase Handbooks from the International Auditing and Assurance Standards Board (IAASB), as well as the International Accounting Standards Board (IASB) for members.	Feb 2017 – receipt of books	Library Staff	ICT/Library

Review of the PAAB Practice Review System to Ensure It Continues to Be In-line with SMO 1(this is now done at PAAB level)

Raising Awareness about the QA review System among ICAZ Members

In an effort to raise awareness about the QA review system, the following have been implemented by ICAZ:

Monitoring of Financial Statements

The APC and APSC review a third of financial statements for listed companies to check on compliance with IFRSs and ISAs. Summary of findings are communicated to preparers and auditors for them to note improvements in preparation of future financial statements. The auditors are given chance to address the identified non-compliances and if there are gross non-compliance matters, these are referred to the disciplinary committee.

CPD Sessions on IFRS held during the period:

February 2016 – Preparation of Financial Statements – Common Errors; IFRS update; Accounting for Treasury Bills

September 2016 – Reporting framework for the Public Sector – IFRS versus IPSAS; Private auditor's issues to the Auditor General

June 2017 – Insurance Reporting Updates IFRS 17 Highlights; IFRS 7 Qualitative Disclosure; Risk Management Framework; Pension Fund Reporting

May 2017 – Topical financial reporting issues in the Construction Sector; Contract Accounting

Publications in ICAZ Newsletter and Magazines

Technical guidance papers are published to assist members with reporting issues. A quarterly technical bulletin was introduced in September 2016. To date four bulletins have been published.

Assessor Training Sessions

Assessor training sessions are held twice a year. The main outcomes of the sessions are for participants to be able to: Understand the background of the assessments based on the competence framework; Understand the accreditation and monitoring criteria for offices to be accredited to train ICAZ trainees; Understand the structure of the ICAZ Training Program; Understand the prescribed competencies of the Training Program and Understand the differences between "basic" and advanced" contexts of evidence.

Maintaining Ongoing Processes

3.	Ongoing	Practice Review system will be reviewed on an ongoing basis in line with SMO 1 requirements. This includes periodic review of the operation of the Practice Review system and updating the Action Plan for future activities where necessary. ICAZ will offer support to the PAAB Reviews to ensure full compliance with IFAC requirements.	Ongoing	CEO of ICAZ, PAAB Practice Review Committee & Technical Staff	PAAB Practice Review Committee
Review of ICAZ's Compliance Information					
4.	Ongoing	Review and update sections relevant to SMO 1 as necessary.	Ongoing	Registrar/Technical Staff	ICAZ Members

Main Requirements of SMO 1

Requirements	Y	N	Partially	Comments
Scope of the system 1. At a minimum, mandatory QA reviews are required for all audits of financial statements.	✓			Mandatory QA reviews are performed for all firms that have audits of financial statements on a 3-year circle.
Quality Control Standards and Other Quality Control Guidance 2. Firms are required to implement a system of quality control in accordance with the quality control standards.	✓			QA reviews are performed in accordance with ISQC 1 quality control standards
3. Most up to date versions of ISQC 1 and other relevant ISA are adopted as the quality control standards.	✓			Updated ISQC 1 policies as per the International Auditing Standards
4. Member Body assists firms in understanding the objectives of quality control and in implementing and maintaining appropriate systems of quality control.	✓			PAAB performs the entire review process including assisting members in identifying weaknesses, reviewing remedial action overtime of the quality control and 2nd action plan on raising awareness of system of quality control. ICAZ provides CPD on relevant standards and will review a third of financial statements for listed companies to check on compliance with IFRS and ISA. Summary of findings are

Requirements	Y	N	Partially	Comments
				communicated to preparers and auditors for them to note improvements in preparation of future financial statements.
Review cycle 5. A cycle-based, risk-based, or a mixed approach for selecting firms for QA review is used.	✓			PAAB reviews are performed on a 3-year cycle and all firms that perform audit of financial statements are reviewed within this 3-year cycle at firm and engagement level reviews. Some firm reviews and engagements reviews are also based on risk-based approach i.e. e.g. based on client profile or existing risks.
6. For cycle-based approach, quality control reviews are required to take place at least every six years (and every three years for audits of public interest entities).	✓			Refer above
QA Review Team 7. Independence of the QA Team is assessed and documented.	✓			PAAB Technical Team—both local and foreign is used for reviews and each member has a cooling off period if they were recently recruited from a member firm before review of any related firm.
8. QA Team possesses appropriate levels of expertise.	✓			Qualified Chartered Accountants are used with experience in Audits of Financial Statements
Reporting 9. Documentation of evidence supporting the quality control review report is required.	✓			All documentation supporting the review is filed and referenced to the final report that is issued to the respective firm/ partner reviewed.
10. A written report is issued upon conclusion of the QA review and provided to the firm/partner reviewed.	✓			Refer above
Corrective and disciplinary actions 11. Reviewed firms/partners are required to make timely adjustments to meet recommendations from the review report.	✓			Each partner/firm with weaknesses noted are given timelines for response and remedial action whereupon there are re-reviewed where necessary.
12. QA review system is linked to the Investigation and Discipline system.	✓			Where extreme action is needed, reference is made to the PAAB and ICAZ disciplinary rules and regulations.

Requirements	Y	N	Partially	Comments
Consideration of Public Oversight 13. The body responsible for QA reviews cooperates with its oversight body and shares information on the functioning of the QA review system, as needed.	✓			Results of the QA reviews are shared with the PAAB Board.
Regular review of implementation and effectiveness 14. Regular reviews of implementation and effectiveness of the system are performed.	✓			Refer to 11 above

Action Plan Subject: SMO 2 – International Education Standards and other IAESB Guidance
Action Plan Objective: Ensure that all IES requirements are incorporated into ICAZ's education requirements

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Background:

The ICAZ Education System is governed by rules set by the ICAZ Education Committee and Examination Board and approved by the ICAZ Council. The ICAZ education system is derived from the IAESB and covers the competence framework of both professional accountants in business and those in audit practice. The PAAB is however, charged with, among other things, the maintenance of standards of examinations offered by constituent bodies and to evaluate examinations and training courses of foreign institutions with a view to making recommendations to the constituent bodies. PAAB also issues Practicing Certificates to members. Other Institutes also review ICAZ's practice when considering reciprocity arrangements.

The ICAZ education program is fully aligned with that of the South African Institute of Chartered Accountants (SAICA). Qualifying examinations are fully outsourced from SAICA, except for modification of tax and law aspects to suit the local environment.

ICAZ provides administrative assistance to students studying towards qualifying as Chartered Accountants from undergraduate level to the Qualifying Examination stage. Since the qualifying examination is a common regional examination sat by students in Southern Africa (South Africa, Namibia and Zimbabwe), ICAZ's involvement is to adapt the examination for local tax and company legislation.

The education system is meeting the International Education standards (IESs) including IES 7 for Continuing Professional Development (CPD). ICAZ has now adopted the following CPD requirement for new admissions into membership:

i. *An eligible applicant for membership of ICAZ should lodge his application for membership within 12 months from the latter of the date of completion of Articles of Clerkship or passing the Assessment of Professional Competence (APC) exams. If application is received within that period, the requirement for lodgment of formal CPD compliance will be waived;*

ii. *Should application be received later than 12 months from the dates in (i), then application should be accompanied by proof of pro rata compliance with the CPD requirements noted above.*

To assist in maintaining professional competence amongst our members, ICAZ makes use of the following

1. Development of a CPD calendar of events for the whole year based on feedback from members, findings of technical committees and any IFAC and standard setting bodies pronouncements and developments. Refer to page 16 and 17 of the annual report.
2. Accreditation of Training offices and Training of Qualified Chartered Accountants to be registered assessors for each applicable training office based on the updated ICAZ Competency Framework. Refer to link to the website on the training office accreditation process.
3. ICAZ has implemented online assessments such as the student training courses on the ICAZ Competency Training Model. Refer to link provided.

4. The Institute through the ICT Committee, has partnered with ICAEW to provide an online resource that allows ICAZ members to access high quality technical fact-sheets, guidance and webinars plus a regular e-bulletin, all designed for easy access on all devices

#	Start Date	Actions	Completion Date	Responsibility	Resource
New Developments					
5.	November 2017	**Introduction of APC E-Writing** Students will be required to submit their answer scripts using their laptops as opposed to writing their answers on papers as has been the normal practice. The e-writing pilot run for ICAZ students was introduced in 2017. 22 students registered for E-writing for the November 2017 APC exam. Going forward all students will be required to register for APC E-writing.	Ongoing	Education Committee	Education Manager
	2016	Competencies in technical, analytical, contextual and communication skills are assessed for each task. The number of tasks may differ in each year. Assessment per students in each of the tasks is done by grading them in the six levels of competency and then by an overall assessment. In light of the revised IES, the exam has been revised. *(Please refer to the document on link below.)* APC_Nov_2016_Examiners_Comments APC Nov 2016_Specimen_Examples APC2016_Information_on_the_day_English APC2016_Prerelease_Information_English APC2016_Tasks_English ICAZ is part of a project to relook at the Competence Framework (CF) of a Chartered Accountant. The CF is the minimum expected attributes of a just qualified CA. Due to the dynamic global market pace driven by: internet of things (virtual economy), big data, crypto-currencies, social media, corporate failures and a host of other disruptions, ICAZ and the accounting profession realizes that the role of the CA has to be dynamic. Hence, the project CA2025 which aims at relooking at the CF of the CA and reconsidering these in order for CAs to stay relevant. This will in-turn have an effect on the structure of the exam.	Ongoing	Exam Board	Education Manager

#	Start Date	Actions	Completion Date	Responsibility	Resource
		Local Exam Setters and Markers ICAZ is in the process of sourcing for local exam setters and markers. The potential markers are undergoing training and be certified before they can be recognized as ICAZ markers. Setters were requested to meet minimum stated requirements and asked to submit sample exams which were sent to a team of experts in South Africa for assessment. A pilot project is being run in collaboration with the CAA (ICAZ local technical consultant) and has so far achieved the following competences: • Thorough understanding of the IAESB competence framework; • Providing of tuition based on the competence framework • Practical training and training assessors • Setting and marking professional exams at all levels Thus, ICAZ (through CAA, its local service provider) is now involved in setting professional exams and marking exams under the mentorship of SAICA. The view is to continue to develop local capacity. Progress on localization of the marking and setting of the examinations is as follows: • Currently ICAZ has been sending markers to participate in the marking process at SAICA; • Taxation is already being marked locally; Plans are that ICAZ should be able to stand on its own to set and mark examination and the estimated/goal timeline is expected to be in about 5 years. ICAZ realizes the importance of accelerating this process but is hamstrung by necessary resources.			
		*Improving Pre- and Post-Qualification Education Programs*			
6.	January 2017	Revision to Training Competencies: As a result of a consultation process involving various stakeholder ICAZ have revised the competencies that trainees are required to attain so that that their articles can be discharged i.e. technical and professional competencies. The 6	t	Education Committee	ICAZ Staff

#	Start Date	Actions	Completion Date	Responsibility	Resource

		technical and 4 professional competencies are focused on completion of certain tasks in order to achieve proficiency in the skill where applicable. Refer below for the different competencies
		Professional Competency
		   1. Professional conduct
		   2. - Management and Leadership
		   3. - Professional Attributes
		   4. - Information Technology
		
		Technical Competency
		   1. Accounting & External Reporting
		   2. Financial Management
		   3. Auditing & Assurance
		   4. Risk Management & Governance
		   5. Taxation
		   6. Management Decision-making
		
		Updated Training Programme requirements major changes noted were:
		• Clarification of verbs in the tasks for understandability
		• Amendments to make tasks more practical
		• Addition of other tasks not previously included
		• Big change to Business Ethics i.e. Alignment to the Code of Professional Conduct and new process of assessment (values versus skills)
		For ICAZ students, the new competence framework apply to all trainees effective whose contract are on or after 1 January 2017.
		
		The new competence framework do not apply to existing trainees whose training contracts will be discharged up to 31 December 2017.
		
		For all other existing trainees, it is recommended that the competencies would apply effective 1 January 2017, however training offices have the discretion to complete all such running contracts under the old competences.			

7.	2016	Introduce stern measures to deter non-compliance of CPD as	Ongoing	CPD Officer &	CPD Officer

#	Start Date	Actions	Completion Date	Responsibility	Resource
		prescribed by IES 7. The CPD committee has introduced the fining of non-compliant members.		CPD Committee	
7.	Ongoing	Enforce standing rules and by-laws on the withdrawal of a practicing certificate for those who are unable to complete the CPD hours on the 3 year cycle.	Ongoing	ICAZ Council, CPD Officer	CPD Officer; Registrar
8.	Ongoing	Enhance monitoring and verification to ensure full compliance by members with CPD requirements.	Ongoing	CPD Committee	CPD Officer
9.	Ongoing	Promote and advocate for all the local universities to incorporate IFRSs, IPSASs, ISAs, ISSAIs & Code of Ethics in their educational material. There is already good exposure to IFRS for local accounting students. PAAB is also disseminating IFRS based syllabi framework to local to universities for adoption.	Ongoing	EC; PAAB	Education Manager & Technical Staff
10.	Ongoing	Continuous evaluation & review of the ICAZ qualification program to benchmark against all IES and International best practice.	Ongoing	Council, EC; APC; TOLC and EB	Education Manager & Technical Staff
Maintaining Ongoing Processes					
11.	Ongoing	ICAZ will continue to ensure new developments to the training of chartered accountants and post qualifications are consistent with all IESs. This is the responsibility of the Examination Board, Education and CPD committees of ICAZ. ICAZ also participates in commenting in the exposure drafts and requests for comments as released by the IAESB.	Ongoing	Exam Board, Education Committee and CPD Committee	Technical Staff
Review of ICAZ's Compliance Information					
12.	Ongoing	Review and update sections relevant to SMO 2 as necessary.	Ongoing	Registrar/Technical Staff	ICAZ Members

Action Plan Subject: SMO 3 – IAASB Pronouncements
Action Plan Objective: Continue to Use Best Endeavors to Maintain an Ongoing Process to Adopt and Implement International Auditing and Assurance Standards Board (IAASB) Pronouncements

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Background:

There are no local auditing standards in Zimbabwe and as such, in accordance with PAAB regulations, all ISAs and pronouncements issued by the International Auditing and Assurance Standards Board (IAASB) are adopted as they are issued, without any amendments or revisions. The Zimbabwe Accounting Practices Board (ZAPB) is mandated with standard setting for Auditing and Accounting Standards. The Companies Act Chapter 24.03 section 149-154 and ZSE Listing rules section 8 state the regulations defining requirements for audit which requires application of all international standards as is. All Public interest organizations are required to be audited. All ISAs are fully adopted by ICAZ.

ICAZ members comply with all Pronouncements from IAASB. ICAZ seeks to influence the development of ISAs by commenting on Exposure Drafts through the APSC. In 2015 ICAZ technical committees were instrumental in assisting PAAB in rolling out the new and revised auditor reporting standards in 2015. The ICAZ members through PAAB regulation were required to early adopt these changes by implementing a dry-run (parallel reporting) which saw the subsequent smooth implementation of the long-form audit reporting in 2016.

The APSC committee of ICAZ is ceased with matters relating to IAASB activities and its impact in audit practice. The APSC works closely with the ZAPB on any matters relating to auditing standard setting and implementation.

#	Start Date	Actions	Completion Date	Responsibility	Resource
Continuous Improvements to Program for Adoption and Implementation of IAASB Pronouncements					
Monitoring the IAASB Activities and Contributing to the International Standard-Setting					
13.	Ongoing	Review pronouncements issued by the IAASB, on an ongoing basis, with a view to assist implementation and communicate any new development to members.	Ongoing	APSC & Technical Staff	ICAZ Technical staff
14.	Ongoing	Review all IAASB agenda materials and exposure drafts and submit comments thereon.	Ongoing	ICAZ Technical team	APSC
15.	Ongoing	Intensify communication initiatives to members and the public about the current ISAs that are in effect and to be applied.	Ongoing	APSC	Technical staff, PR & CPD Officer and ICAZ Website

#	Start Date	Actions	Completion Date	Responsibility	Resource
16.	Ongoing	Ensure new developments to the training of chartered accountants and post qualifications are consistent with all IES 4. *The new standards have been incorporated into the IPD education from the Undergraduate level till the Certificate of Theory in Accounting level. Refer to attached document.* ICAZ%20-%20Comp etence%20Framewro	Ongoing	EC; CPD Committee and Examination Board	EC; CPD Committee and Examination Board
Supporting ICAZ Members with the Implementation of the Auditing Standards					
17.	Ongoing	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. ICAZ monitors any revisions or updates from IAASB and advises its members through CPDs, e-mails and publications. ICAZ also comments on any pronouncements, Exposure Drafts and advises members on the proposed Exposure Drafts. ICAZ supports members in the implementation through CPD seminars. ICAZ works closely with the standard setter in adoption and implementation of the auditing standards. ICAZ conducted CPD seminars for the new auditor`s report to create awareness to members during the 2015/2016 fiscal year. Refer to page 16 to page 17 of 2016 Annual report for the CPD seminars.	Ongoing	Technical staff, APSC & Council	Technical staff & APSC
18.	Ongoing	Incorporate all newly issued ISAs and practice statements by the IAASB into the ICAZ CPD program.	Ongoing	APSC & CPD Department	Technical staff & ICAZ Website
Review of ICAZ's Compliance Information					
19.	Ongoing	Review and update sections relevant to SMO 3 as necessary.	Ongoing	Technical Staff & Registrar	Technical staff & Registrar

Action Plan Subject: SMO 4 – IESBA Code of Ethics
Action Plan Objective: Maintain an Ongoing Process to Adopt and Implement the Requirements of the IESBA Code of Ethics

Background:

ICAZ was incorporated in 1918 under the Chartered Accountants Act, Chapter 27:02. As a body corporate, ICAZ can sue and be sued in its corporate capacity. Through the Chartered Accountants Act, ICAZ has been given the power to set standards it expects its members to abide by, failure of which can result in disciplinary action or deregistration of the member.

ICAZ's primary objective in this area is to ensure effective implementation of the Code of Ethics. In 2009 ICAZ resolved to adopt the IFAC Code of Ethics of the International Ethics Standards Board for Accountants (IESBA) with no amendments. Subsequent to this, any revisions are adopted as and when published by IFAC and after getting the necessary approvals. Permission has been granted for ICAZ to use the 2016 edition of the Handbook of the Code of Ethics for Professional Accountants.

The PAAB has adopted the IEBSA Code of Ethics as issued by the IESBA including effective date. This was circulated in the government gazette. PAAB explains that if more stringent requirements arise, the PAAB will issue a regulation. In sum, however, the PAAB states that all PAOs must apply the most current IESBA Code of Ethics as the minimum benchmark.

ICAZ students and members are training based on the latest IFAC Code and relevant CPD are continuously run to emphasize ethical behavior by ICAZ members and students. ICAZ is also very active in the IESBA work and recently contributed into the "Professional Skepticism and Judgement" project in 2017. ICAZ participates in the IESBA comment letters and exposure drafts as and when released.

All members of ICAZ are required to adhere to the latest IFAC Code of Ethics.

#	Start Date	Actions	Completion Date	Responsibility	Resource
Supporting the Implementation of the IESBA Code of Ethics by ICAZ Members					
20.	Ongoing	Continue efforts to advise members and the public on the revisions of the Code of Ethics. Organize workshops on the expected ethical conduct of the members. The ICAZ Indaba held on 3 November 2017 had a session on expected ethical conduct of members (*Changing work patterns and Attitudes*).	Ongoing	CPD Committee, Registrar & Technical Staff	ICAZ Registrar & CPD

#	Start Date	Actions	Completion Date	Responsibility	Resource
Monitoring the IESBA Activities and Contributing to the International Standard-Setting					
21.		The CEO of ICAZ is a member of the IFAC PAIB Committee. Through his involvement on the Committee, together with input from the Technical Director who attends the meetings with him, ICAZ has contributed to the IESBA strategy and amendments.	Ongoing	APSC, Technical Staff	ICAZ CEO and Technical Advisor
Maintaining Ongoing Processes					
22.	Ongoing	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	ICAZ Council	APSC & Technical Staff
Review of ICAZ's Compliance Information					
23.	Ongoing	Review and update sections relevant to SMO 4 as necessary.	Annually	ICAZ CEO & Technical Staff	ICAZ CEO & Technical Staff

Action Plan Subject: SMO 5 – International Public Sector Accounting Standards and Other IPSASB guidance
Action Plan Objective: Use Best Endeavors to Assist in the Adoption and Implementation of International Public Sector Accounting
                                                Standards (IPSASs) in Zimbabwe

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Background:

Public sector accounting in Zimbabwe is regulated by an Act of Parliament - The Public Finance Management Act [Chapter 22:19]. According to the Act, its purpose is to provide for the control and management of public resources and the protection and recovery thereof; to provide for the appointment, powers and duties of the Accountant-General and of his or her staff; to provide for the national budget; to provide for the preparation of financial statements; to provide for the regulation and control of public entities; to provide for the raising, administration and repayment of loans by the State and for the giving of guarantees in respect of certain loans; to provide for general treasury matters; to provide for the examination and audit of public accounts; to provide for matters pertaining to financial misconduct of public officials. Currently, public sector financial statements, other than for those entities that use IFRS by virtue of them being companies, are prepared using a customised cash accounting basis.

The Government of Zimbabwe, through the Ministry of Finance (Office of the Accountant General) administration has begun implementing the accrual-based International Public Sector Accounting Standards (IPSAS) on a phased basis as of January 2018. However, the IPSASs are still to be implemented and have not been formally incorporated in the existing legal framework. The IMF has been working with the PAAB and the Government in a bid to expedite the IPSASs adoption in the country. A number of awareness workshops have been organised to map the way forward with regard to adopting IPSASs. There is no specific timeline for full implementation as the PAAB has developed roadmaps that are tailor made to each applicable sector e.g. Local Authorities and Parastatals.

ICAZ's primary objective in this area is to promote the adoption and implementation of the International Public Sector Accounting Standards (IPSASs) in Zimbabwe. The Public Sector Committee (PSC) of ICAZ was established in 2009. Its objective is to address issues related to Public Sector Reporting. This Committee works closely with the Government through the Auditor General and Accountant General's Offices to ensure implementation and adoption of IPSASs. ICAZ through its affiliated audit firms has been seconding staff to assist with training and enhancing Public Sector Financial Reporting. Some of these firms are also involved with training of the two offices named above in respect of IPSASs and the conversion to same.

In 2016, ICAZ was awarded a public-sector professionalization grant by IFAC and DFID. The grant is aimed to capacitate ICAZ to launch and run a second-tier public-sector focused qualification and provide a platform to convert existing and prospective public-sector accountants and auditors to be professional. This will be the pillar for public-sector accountability. ICAZ has been partnered with CIPFA with regards to implementation of the public-sector qualification which shall be the back-bone of adoption, education and compliance with IPSASs and ISSAIs. To date the project is now developing a strategy for the professional qualification.

The audit general office has already been trained in both IPSAS and ISSAIs and the audit guidelines has since been updated. Some of the public-sector entities have been already using accrual basis IPSAS i.e. estimated 40% of Local Authorities.

Status as of Date of Publication   Page 18 of 28

#	Start Date	Actions	Completion Date	Responsibility	Resource
		Promote the Adoption and Implementation of IPSASs in Zimbabwe			
24.	August 2016	A Public Sector Task Force was set up by the Institute in 2016. The main role of this task force is to promote better communication between the profession and the public sector. The task force acts as an advisor to the public sector on public sector accounting, auditing standards, governance and other matter relating to the public sector.	Ongoing	ICAZ CEO & Technical Staff	PSTF& the ICAZ Technical Team
25.	Ongoing	The Public Sector Task Force is involved in organizing of Public Sector CPDs. An ICAZ Public Sector Convention was held in October 2017 under the theme *Raising the Standard for Transparency and Accountability*, with the following topics; • Importance of Transparency and Accountability for Economic Prosperity • IPSAS Technical Update • The Progress in Public Sector Reform • IPSAS Implementation	Ongoing	CEO, PSC & Technical Staff	PSTF & Technical staff.
26.	Ongoing	Enhance the program for responding to IPSASs exposure drafts- the Public Sector Task Force is now in place at ICAZ. Technical articles are done and circulated to members in the Technical Bulletin - with the most recent having been done at the end of 2017 – *IPSAS Adoption in Zimbabwe*.	Ongoing	Technical staff; PSTF	Technical Staff
27.	Ongoing	Professionalization Project through CIPFA, DFID and IFAC capacitating ICAZ to launch and run a second-tier public-sector focused qualification and provide a platform to convert existing and prospective public-sector accountants and auditors to be professional has been initiated. ICAZ was selected as the implementing partner in Zimbabwe because of the skills resident in it. As the implementation partner, ICAZ's role is to investigate what it will take for accountants in the Public Sector to be Public Sector Professional Accountants and to pilot the whole programme. A steering committee has therefore been put in place to run with the project. The project which was to be implemented in stages has already started with the	2021	Project Coordinator, ICAZ CEO; PSTF	Technical Staff

#	Start Date	Actions	Completion Date	Responsibility	Resource
		Implementation of Phase I which mainly involved CIPFA and PAAB having been now complete. Implementation of Phase II, i.e. engagement of stakeholders and coming up with the road map is currently on-going.			
Maintaining Ongoing Processes					
28.	Ongoing	Continue to identify opportunities to further assist with the implementation of IPSASs. This includes review of the existing activities and preparation of the Action Plan for future activities where necessary.	Ongoing	Technical staff; CEO; PSTF	Technical Staff
Review of ICAZ's Compliance Information					
29.	Ongoing	Review and update sections relevant to SMO 5 as necessary.	Annually	ICAZ CEO & Technical Staff	Technical Staff

Action Plan Subject: SMO 6 – Investigation and Discipline
Action Plan Objective: Further Develop ICAZ's Investigation and Disciplinary (I&D) System

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Background:

The Investigations and Disciplinary Committees of ICAZ both operate in line with the Terms of Reference which have been adopted as standing orders by the ICAZ Council. The Investigations Committee is tasked with investigating allegations of misconduct made against a member or a student accountant. If investigations done by the Committee show that a prima facie case exists, the case is referred to the Disciplinary Committee. This Committee then organizes for a hearing at which the accused is given an opportunity to be heard before a ruling is made. In terms of section 34 of the PAAB Act each constituent body shall be responsible, in the first instance, for the professional conduct of its members and shall have the power to undertake disciplinary proceedings against such members and to punish them for breaches of the rules. Section 34 of the PAAB Act states that where a member has contravened any rule, the constituent body shall provide the PAAB with such information. A member is given 30 days in which to make an appeal to the PAAB for review of the decision of the constituent body.

The PAAB may in its By-laws prescribe rules of professional conduct to be observed by registered members. Each constituent body has been empowered to make rules in accordance with the enactment under which it is established. Such rules should not be inconsistent with the rules made by the PAAB. *(Section 33 of the PAAB Act).*

ICAZ has an Investigation Committee (IC) which is tasked with investigating allegations of misconduct made against a member (individual or firm) or a trainee accountant and if a prima facie case is established the cases are referred to the Disciplinary Committee (DC). The Disciplinary committee, which is chaired by the President, includes his two deputies and any seconded members of Council and can co-opt a legal practitioner and senior counsel as advisors. The Committee has full delegated powers to investigate and finalize cases for which it is appointed.

In response to the need to comply with the requirement that the IC should have members of the committee include professional accountants as well as non-accountants. Two new members (non-members) have been added to the Committee.

- Between January 2015 and August 2017, there were several cases that were dealt with by the IC and the DC. For the period up to May 2016, 3 cases were handled by the IC and DC. Of the three cases, two cases were concluded by the DC and one was closed as no prima facie case was established.
- For the period June 2016 to date, three new cases were handled by the IC. One case was concluded by the DC; one was closed as no prima facie case was established and the third case is still open.
- All cases referred are dealt with according to the ICAZ rules and regulations.

#	Start Date	Actions	Completion Date	Responsibility	Resource
		Review of the Investigation and Disciplinary (I&D) System			
30.	Ongoing	Ongoing evaluation and review of the I&D system to ensure it is operating effectively and conforms to SMO 6 requirements.	Ongoing	ICAZ CEO & Registrar	ICAZ Registrar & Disciplinary Committee

#	Start Date	Actions	Completion Date	Responsibility	Resource
31.	Ongoing	Advise members on any changes to the ICAZ I&D procedures and systems. ICAZ will also continue to draw members' attention to the by-laws on investigations and disciplinary requirements. Presently this is done through a section in the Annual Report that reports on the activities of the Committee.	Ongoing	Registrar; Technical Staff	ICAZ membership Secretary; Technical Staff
Maintaining Ongoing Processes					
32.	Ongoing	Ensure ICAZ'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	CEO; DC; Registrar; Technical Staff	Technical Staff; Registrar & CEO
33.	Ongoing	At the beginning of each Presidential year, the Terms of Reference of the Investigation and Discipline Committee are circulated to all members for their information together with Terms of Reference for various ICAZ Committees.	Ongoing	Registrar	Investigations Committee and Disciplinary Committee
Review of ICAZ's Compliance Information					
34.	Ongoing	Review and update sections relevant to SMO 6 as necessary.	Ongoing	CEO of ICAZ IC & DC	ICAZ Registrar & CEO

Main Requirements of SMO 6

Requirements	Y	N	Partially	Comments
Scope of the system 1. A system of investigation, discipline and appeals exists for the accountancy profession. The system is operational.	X			
2. Information about the types of misconduct which may bring about investigative actions is publicly available.	X			
Initiation of Proceedings 3. Both a "complaints-based" and an "information-based" approach are adopted.	X			
4. Link with the results of QA reviews has been established.	X			
Investigative process 5. A committee or similar body exists for performing investigations.	X			
6. Members of a committee are independent of the subject of the investigation and other related parties.	X			
Disciplinary process 7. A separate disciplinary committee/entity exists to make disciplinary decisions on referrals from the investigation committee.	X			The CEO is no longer a member of the Disciplinary Committee as he sits on the Investigations Committee.

8.	Members of the committee/entity include professional accountants as well as non-accountants.	**X**			A legal advisor and a non-accountant have now been co-opted on to the committee.
9.	The tribunal exhibits independence of the subject of the investigation and other related parties.	**X**			Members of the Committee who may be conflicted in any case are asked to recuse themselves from the case and the meetings discussing the same
Sanctions					
10.	The disciplinary system allows imposing an extensive range of penalties. It is particularly important to include (a) loss of professional designation; (b) restriction and removal of practicing rights; and (c) exclusion from membership.	**X**			
Rights of representation and appeal					
11.	A third appeals body exists which is separate from both the disciplinary committee and investigative committee.	**X**			
Administrative Processes					
12.	Timeframe targets for disposal of all cases are set.		**X**		Some cases have to be dismissed as complaints are not specific about the issues they are complaining about and when asked to streamline the complaint, they will not respond or responses from complainants take long and therefore cases remain open for longer periods than anticipated.
13.	Tracking mechanisms to monitor progress in investigation and discipline and related procedures are established.	**X**			
14.	Records of investigations and disciplinary processes are established.	**X**			

Public Interest Considerations 15. Activities are supported to ensure that the public is aware that an investigative and disciplinary system exists in the jurisdiction.			X	The Institute has not been playing an active role in bringing awareness to the public that there is an investigative and disciplinary system in place.
16. A process for the independent review of complaints on which there was no follow-up is established.		X		
17. The results of the investigative and disciplinary proceedings are made available to the public.		X		Council is still to agree on how best the results can be shared as varying opinions exist on making the results publicly available.
Liaison with Outside Bodies 18. There is an appropriate process for liaison with outside bodies on possible involvement in serious crimes and offences.	X			
Regular review of implementation and effectiveness 19. Regular review of implementation and effectiveness of the system are performed and corrective actions are implemented.		X		

Action Plan Subject: SMO 7 – International Financial Reporting Standards
Action Plan Objective: Continue to Use Best Endeavors to Maintain and Improve an Ongoing program for Adoption and Implementation of IFRS

Background:

The PAAB is governed by the Public Accountants and Auditors Act Chapter 27:12 of 1995. Through this Act and other Acts such as the Companies Act Chapter 24:03 and the Banking Act Chapter 24:20 of 1999, enforcement of compliance with the legal reporting framework is made possible. The PAAB through its sub-committee, the Zimbabwe Accounting Practices Board (ZAPB) has adopted all International Financial Reporting Standards (IFRSs) and other pronouncements issued by the International Accounting Standards Board (IASB) as the financial reporting framework applicable in Zimbabwe. All listed companies and all financial institutions are required to prepare their financial statements under IFRSs. Private companies may also elect to comply or opt for the IFRS for SMEs. ICAZ also prescribes that its members adhere to all IFRS requirements for financial reporting purposes. All Zimbabwe companies returned to full IFRS compliance in 2011 – post the hyperinflationary period which had made it impractical to adhere to IFRSs. In 2010 ICAZ submitted a comprehensive document on roadmap back to IFRS compliance to the IASB. During the same period, ICAZ engaged SAICA and IASB for further guidance. After extensive research by IFRIC, IASB then amended IFRS 1 early in 2011. This led to return to full compliance with IFRSs.

PAAB adopted IFRS for Small and Medium Enterprises (SMEs) in June 2012 via the PAAB BOARD approval and a communique was sent to PAAB member bodies on the adoption. PAAB issued implementation guidelines and continue to encourage entities that meet the scope of IFRS for SME to adopt the standard.

ICAZ continues to hold awareness programs to alert the market of the developments through CPD programs and bulletins.

ICAZ through the APC is very active in the IFRS developments and comments on all relevant requests for comment letters. The APC committee works closely with PAAB and other regulators in the implementation of IFRS. In 2016 the APC constituted an IFRS 9 implementation committee which assisting the banking sector in the implementation of IFRS 9. APC also has the Banking sector and an Insurance Sector committee from which it is dealing with the implementation of the new or amended IFRS, e.g. IFRS 9, 15, 16 and 17.

#	Start Date	Actions	Completion Date	Responsibility	Resource
Ongoing Program for Implementation of IFRS					
35.	Ongoing	Continue to support the implementation of IFRSs in Zimbabwe on an ongoing basis. Seminars are held at regular intervals to update members on any improvement projects by IASB. Up-dates are also done through the ICAZ magazine, newsletters and e-mails. The following CPDs on IFRS were held in 2017: • 22 February 2017 – Seminar covered Accounting for Treasury Bills; Preparation of Financial Statements – common errors and IFRS Updates. • 17 February 2017 – Topics covered were IFRS Updates and Tax issues emanating from the 2017 National Budget.	Ongoing	APC and CPD Technical Staff	Technical Staff & Technical Committees
36.	Ongoing	Provide training and education on IFRSs and actively participate in the IASB work programme.	Ongoing	APC and CPD Committee	Technical Staff
IFRS for SMEs					
37.	Ongoing	No seminar was held in the 2017 period as the IFRS for SMEs is not widely used in Zimbabwe. The update of IFRS for SMEs is generally very low, going forward, the Institute to look for ways to promote the use of the IFRS for SMEs	Ongoing	CPD Committee	Technical Staff
38.	Ongoing	Engage Government (mainly tax authorities), PAAB & other relevant stakeholders so that IFRS for SMEs becomes the recommended reporting framework amongst Non-Public Interest entities in Zimbabwe and for public awareness campaigns to be held on the IFRS. – Consultative meetings have already been held with relevant stakeholders.	Ongoing	TOLC, Council & ICAZ President	CEO & Technical Staff of ICAZ
Maintaining Ongoing Processes					

#	Start Date	Actions	Completion Date	Responsibility	Resource
39.	Ongoing	Continue to use best endeavors by identifying opportunities to further assist in implementation of IFRSs. This includes review of the existing activities and updating the Action Plan for the future activities where necessary.	Ongoing	APC & APSC	Technical Staff
40.	Ongoing	Submit comments to IASB on any Exposure Drafts. The following are the recent comments to IASB: • ED/2015/11 Applying IFRS 9 Financial Instruments with IFRS 4 Insurance Contracts- Proposed amendments to IFRS 4. • Annual Improvements to IFRS Standards 2015 – 2017 Cycle • Effective Date of Amendments to IFRS 10 and IAS 28	Ongoing	APC & APSC	Technical Staff
Review of ICAZ's Compliance Information					
41.	Annually	Review and update sections relevant to SMO 7 as necessary.	Annually	Technical Staff & CEO	Technical Staff

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19 March 2018

Mr. Matts Kunaka

Chief Executive Officer

Institute of Chartered Accountant of Zimbabwe

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Belgravia, Harare

Zimbabwe

mattsk@icaz.org.zw

Dear Ms. Prinsloo,

Subject: Letter to Confirm Institutional Support for the SMO Action Plan

This letter is to confirm that the leadership of the Institute of Chartered Accountant of Zimbabwe has reviewed the information contained in the SMO Action Plan prepared by Institute of Chartered Accountant of Zimbabwe as part of the IFAC Member Compliance Program and will provide institutional support for its implementation.

On behalf of the leadership of the Institute of Chartered Accountant of Zimbabwe, I endorse publication of the SMO Action Plan on the IFAC website in the interests of transparency and to demonstrate our commitment to enhancing the quality and credibility of the accountancy profession worldwide.

Sincerely,

_____ , MATTHEWS TICHAONA KUNAKA

(Signature)   (Chief Executive Officer)

ICAZ
_____
(Institute of Chartered Accountant of Zimbabwe)

19 March 2018
_____
(19 March 2018)