

Action Plan Developed by The Institute of Chartered Accountants in England and Wales (ICAEW)



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 adoption¹ and implementation² 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:	The Institute of Chartered Accountants in England and Wales (ICAEW)
Approved by Governing Body:	Chief Executive
Original Publish Date:	November 2010
Last Updated:	September 2019
Next Update:	September 2023

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.

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GLOSSARY

AAF	Audit and Assurance Faculty	IESs	International Education Standards for Professional Accountants
ACA	Chartered Accountant Qualification	IESBAs	International Ethical Standards Board for Accountants
AIU	Audit Inspection Unit	IFAC	International Federation of Accountants
APB	Auditing Practices Board	IFRSs	International Financial Reporting Standards
AQR	Audit Quality Review team	IFRIC	IFRS Interpretations Committee
CCAB	Consultative Committee of Accountancy Bodies	IPSASs	International Public Sector Accounting Standards
CIPFA	The Chartered Institute of Public Finance and Accountancy	IPSASB	International Public Sector Accounting Standards Board
CPD	Continuing Professional Development	ISA	International Standards of Auditing
EU	European Union	ISAEs	International Standard on Assurance Engagements
FAQs	Frequently Asked Questions	ISQC	International Standard on Quality Control
FEE	Fédération des Experts Comptables Européens	ISREs	International Standard on Review Engagements
FRAB	Government Financial Reporting Advisory Board	ISRS	Integrated Statewide Record System
FRC	Financial Reporting Council	LPD	Learning & Professional Development
FReM	Government Financial Reporting Manual	MCSS	Members, Commercial and Shared Services
FRF	ICAEW Financial Reporting Faculty	NAO	National Audit Office
GAAPs	Generally Accepted Accounting Principles	PCD	Professional Conduct Department
I&M	Investigation & Monitoring	PO	Professional Oversight Team
IAAER	International Association for Accounting Education and Research	PSD	Professional Standards Department
IAASA	Irish Auditing and Accounting Supervisory Authority	QA	Quality Assurance
IAESB	International Accounting Education Standards Board	QAD	Quality Assurance Department
IASB	International Accounting Standards Board	RQB	Recognised Qualifying Body
ICAEW	Institute of Chartered Accountants in England and Wales	SMOs	Statement of Membership Obligations
IEIPs	International Education Information Statements	SMPs	Small and Medium Practices (of IFAC)
IEPSs	International Education Practice Statements	TACs	Technical Advisory Committees
		UK	United Kingdom

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Action Plan Subject: SMO 1–Quality Assurance
Action Plan Objective: Ensure a mandatory quality review programme is in place for those members performing audits of financial statements of, as a minimum, listed companies

Background:

This action plan includes only those actions that are still required or are, by their nature, part of an on-going process to meet in full the bold type requirements within SMO1. ICAEW has been monitoring statutory audit work since 1991, when audit registration was first introduced in the UK, and so the vast majority of the requirements within SMO1 have been in place for many years.

Following the 2016 implementation of the EU audit regulation and directive in the UK, the Financial Reporting Council (FRC) is now the ultimate competent authority and is responsible for reviewing all PIE audits (as defined in the EU regulation) and certain other audits classed as ‘retained audits’. The FRC conducts all whole firm work at firms with these audits. All other audit reviews are delegated to the RSBs such as ICAEW. We visit our largest firms every year. Firms with listed audits in our remit and firms meeting certain size criteria are visited every 3-4 years. Firms with a poor quality rating at the previous visit are also visited after 3-4 years. All other firms carrying out statutory audits are subject to a six-year visit cycle, with flexibility to prioritise firms for visits based on risk.

Visits include reviewing a sample of non-PIE / non-retained audits and reviewing whole firm procedures. Consideration is given to the risk profile of audits in selecting engagements for review. The operating policies and procedures for carrying out these visits are well established and well understood by those carrying out the visits and by the audit firms.

The ICAEW performs an annual internal quality assurance review of the effectiveness of its own operations which is robust and challenging. The ICAEW is also subject to oversight review by the Professional Oversight Team (PO) team of the Financial Reporting Council (FRC).

ICAEW has a Practice Assurance monitoring process which covers non-regulated areas of practice in ICAEW member firms. There is a separate review cycle for this work which is also subject to internal quality assurance review.

ICAEW undertakes periodic reviews of our response to the Compliance Self-Assessment questionnaires and updates relevant sections as necessary.

#	Start Date	Actions	Completion Date	Responsibility	Resource
<i>Quality Assurance Review Team Procedures</i>					
1.	Ongoing	Audit visit procedures and documentation are subject to continuous updating to reflect current developments in law, standards, regulations and best practice. <i>(SMO1 (revised) paragraphs 44-45)</i>	Ongoing	Quality Assurance Department Management Team (QAD-MT)	Quality Assurance Department (QAD)
<i>Documentation</i>					

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2.	Ongoing	ICAEW continually reviews documentation to ensure it supports our conclusions and visit ratings.	Ongoing	QAD-MT	QAD with support from Information Technology Specialists
<i>Skills and Competence</i>					
3.	Ongoing	Regular and relevant training of all QA staff to update them on technical and practice developments including UK/international auditing and accounting standards, ethical standards, UK regulation and UK law. The ICAEW individual appraisal system monitors the maintenance and development of skills, (both technical and 'soft'), experience, competence and adequacy of CPD. <i>(SMO1 (revised) paragraph 52)</i>	Ongoing	QAD-MT	QAD and external resources as appropriate
4.	Ongoing	Resource is kept under continual review. It is ICAEW policy to ensure that only those with appropriate qualifications, experience and fit and proper status are recruited and that new joiners are subject to a comprehensive induction plan. <i>(SMO1 (revised) paragraphs 53-55)</i>	Ongoing	QAD-MT	QAD with support from ICAEW Human Resource Department
<i>Reporting</i>					
5.	Ongoing	We keep the format, style and content of our QA reports under continuous review to ensure they cover the elements set out in paragraph 52. Reports on firms with listed audits fully meet the requirements. <i>(SMO1 (revised) paragraph 70)</i>	Ongoing	QAD-MT	QAD

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Action Plan Subject: SMO 2–International Education Standards for Professional Accountants and Other Pronouncements issued by the IAESB
Action Plan Objective: Continue to ensure that all IES requirements are taken into account in ICAEW’s education requirements

Background:					
<p>ICAEW is known worldwide for the rigour of its chartered accountant (ACA) qualification. ICAEW fully supports the extant body of work of the IAESB and has provided significant input to its development. In addition to meeting all IFAC membership obligations, all aspects of the ACA qualification are regularly inspected by the Financial Reporting Council (FRC), the UK statutory regulator, as part of ICAEW’s compliance as a recognised qualifying body (RQB) under the Companies Act 2006.</p> <p>ICAEW undertakes periodic reviews of our response to the Compliance Self-Assessment questionnaires and updates relevant sections as necessary.</p>					
#	Start Date	Actions	Completion Date	Responsibility	Resource
<i>International Education Standards 1-6</i>					
1.	Ongoing	The ACA syllabus and training program is compliant with IES 1 – 6 and is supported by IEPSs 1- 3.	Ongoing	Learning and Professional Development (LPD)	LPD
2.	Ongoing	Regular reviews of the ACA syllabus ensure that the ACA continues to comply with all relevant IESs.	Ongoing	LPD	LPD
3.	Ongoing	ICAEW is contributing to and monitoring the proposed changes to IES 2, 3 and 4 and will make any necessary changes to ensure ongoing compliance when they are released as revised IESs.	2020-21	LPD	LPD
<i>International Education Standard 7</i>					
4.	Ongoing	ICAEW’s CPD requirements remain compliant with the current and incoming revised IES 7. This is delivered through maintenance of universal, mandatory CPD for members in an outputs-based policy, ongoing member support, for example through ICAEW’s Academy, and communication. Monitoring, investigation and, where appropriate, disciplinary action is taken against any non-compliant members.	Ongoing	LPD and Professional Standards (PSD)	LPD, PSD and MCSS Academy
<i>IES 8</i>					

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5.	Ongoing	ICAEW is compliant with IES 8. Compliance with current IES 8 is achieved through the ACA, the audit qualification and 'responsible individual' status.	Ongoing	LPD & PSD	LPD & QAD
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Action Subject: SMO 3—International Standards and Other Pronouncements Issued by the IAASB
Action Plan Objective: Convergence with IAASB Pronouncements

Background:

The independent UK auditing standard-setter is the Codes and Standards Division of the FRC, formerly known as the APB. The rubric accompanying the current standards that are generally effective for periods commencing on or after 17 June 2016 states that:

The International Standards on Auditing (UK) (ISAs (UK)) and International Standard on Quality Control (UK) (ISQC (UK)) are based on the International Standards on Auditing (ISAs) and International Standard on Quality Control (ISQC) of the same titles that have been issued by the International Auditing and Assurance Standards Board (IAASB), published by the International Federation of Accountants (IFAC) in 2009, and are used with the permission of IFAC.

The FRC's Scope and Authority of Audit and Assurance Pronouncements states that:

Where necessary, the international standards have been augmented with additional requirements to address specific UK legal and regulatory requirements; and additional guidance that is appropriate in the UK national legislative, cultural and business context. This additional material is clearly differentiated from the original text of the international standards by the use of grey shading. Requirements derived from the European Audit Regulation and Directive are designated by the letter "R" or "D" respectively

ISAs (UK) are consistent with International Standards on Auditing as issued by the IAASB and the requirements of ISAs (UK) do not conflict with the requirements in ISAs. An audit conducted in accordance with ISAs (UK) does not therefore preclude the auditor from being able to assert compliance with International Standards on Auditing issued by the IAASB.

The FRC has not adopted the ISA 800 series, and other IAASB pronouncements such as certain ISAEs, ISREs and ISRSs, although some FRC pronouncements may make reference to FRC standards based on IAASB standards. For example, there are references to ISQC 1 in the FRC's Standard for Providing Assurance on Client Assets to the Financial Conduct Authority. There are references to quality controls in the FRC's Standards for Investment Reporting (SIRs) (engagements relating to investment circulars used in securities transaction) and in its International Standard for Review Engagements (ISRE) (UK and Ireland) 2410 although some of these documents have not been updated recently.

The FRC considers the need for implementation guidance on an ongoing basis but has recently withdrawn Practice Note 26 Guidance on smaller entity audit documentation which was widely used.

The ICAEW's Technical Release Tech 09/13 Assurance Review Engagements on Historical Financial Statements provides guidance to assist with compliance with ISRE 2400 (Revised).

The ICAEW's Technical Release Tech 10/12AAF Reporting to Third Parties makes reference to ISRE 4400.

The ICAEW's Technical Release Tech 09/13AAF Assurance Review Engagements on Historical Financial Statements (Revised) provides guidance to assist with compliance with ISRE 2400 (Revised).

The ICAEW's Technical Release Tech 02/07AAF A Framework for Assurance Reports on Third Party Operations is in line with the Amended International Framework for Assurance Engagements and ISAE 3000 (Revised).

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The ICAEW's Technical Release Tech 01/06AAF Assurance Reports on Internal Controls of Service Organisations Made Available to Third Parties is in line with ISAE 3000 (Revised) and ISAE 3402.

ICAEW has issued a number of ISA Implementation publications in UK and international editions, covering a wide range of ISAs.

ICAEW undertakes periodic reviews of our response to the Compliance Self-Assessment questionnaires and updates relevant sections as necessary.

#	Start Date	Actions	Completion Date	Responsibility	Resource
<i>Adoption of International Standards Issued by the IAASB</i>					
1.	Ongoing	ICAEW continues to use best endeavours to encourage the FRC's adoption of IAASB standards and continues to support implementation. This includes reviewing this action plan on a periodic basis. The FRC is not currently considering adoption of the revised ISAE 3000, ISRE 2400, ISRE 4400 or ISRE 4410 but ICAEW is using its best endeavours to align its own guidance on related matters with those documents. ICAEW is actively raising awareness of engagements conducted using ISAE 3000 and it's assurance resource is broadly based on that standard and makes extensive reference to it.	Ongoing	Chief Executive, ICAEW	Executive Director, Technical, ICAEW
2.	Ongoing	The ICAEW continues to base the ACA auditing and assurance syllabus on International Auditing and Assurance Standards.	Ongoing	LPD	LPD
<i>Implementation Guidance</i>					
3.	Ongoing	ICAEW considers the need for implementation guidance on an ongoing basis and issues guidance as appropriate.	Ongoing	ICAEW Audit and Assurance Faculty (AAF)	AAF
<i>Notifying Members of International Standards Issued by IAASB</i>					
4.	Ongoing	Articles continue to be published in the professional press and ICAEW publications such as <i>Audit and Beyond</i> dealing with technical aspects of the ISAs, authored by members of ICAEW's ISA Panel and other volunteers. Regular Audit and Assurance Faculty Roadshows continue to attract between 500 and 700 delegates across the UK and continue to have substantial ISA content.	Ongoing	AAF	AAF
<i>Assistance in Implementing ISAs in the UK</i>					

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5.	Ongoing	Meetings with training, software and methodology providers continue to emphasise the importance of changes in IAASB standards, raise awareness and seek feedback on implementation issues for practitioners. Feedback from the QAD inspection process is also provided. There is a well-established relationship with training providers who remain keen to attend and contribute to meetings and to exchange views and experiences on ISA implementation.	Ongoing	AAF	AAF
<i>Contribution to Standard-Setting Activities</i>					
6.	Ongoing	Formal and detailed responses are made to virtually every IAASB and FRC auditing and assurance exposure. Wide ranging consultation of practitioners represented on ICAEW Committees, Panels and Boards. All IAASB exposures are published on the ICAEW website with a request for comment. They are also publicised through the Audit and Assurance Faculty's publications, the professional press and electronic Practice and Business Alerts. ICAEW staff and volunteers serve on FEE and IFAC SMPC committees developing responses to IAASB.	Ongoing	AAF	AAF
7.	Ongoing	ICAEW liaises with the Financial Reporting Council (FRC) to promote the adoption of international standards issued by the IAASB. It provides periodic inputs to FRC staff who are members of IAASB or their technical advisers.	Ongoing	CCAB	AAF

NB: Translation process N/A

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Action Plan Subject: SMO 4–IESBA Code of Ethics for Professional Accountants
Action Plan Objective: Ongoing activities to ensure alignment of ICAEW Code of Ethics with the IESBA Code and use best endeavours for convergence of auditor independence standards

Background:					
<p>In 2010 ICAEW adopted the current version of the ICAEW Code of Ethics which is substantively based on the IESBA Code (2009 version) with certain additional material (included in italics). Arrangements are in progress to adopt IESBA’s restructured Code finalised in 2018, from January 2020.</p> <p>The only substantive difference between the ICAEW Code and the IESBA Code is that the ICAEW Code requires members performing audits in the UK to adopt the FRC’s ethical standards on independence. The FRC is responsible for setting ethical standards on auditor independence in the UK and has set its own standards in this area. The current ICAEW Code applies to all members in business and practice and became applicable on 1 January 2011 with a minor change to reflect domestic legislation on 1 January 2013. The FRC and ICAEW are of the view that compliance with the FRC ethical standards will, in substance, result in compliance with the IESBA Code of Ethics.</p> <p>ICAEW’s Code includes a number of additional requirements and application material, where considered necessary. These are not incompatible with the requirements of the IESBA Code.</p> <p>ICAEW undertakes periodic reviews of our response to the Compliance Self-Assessment questionnaires and updates relevant sections as necessary.</p> <p>For more information about ICAEW’s ethical technical work and member support see icaew.com/ethics.</p>					
#	Start Date	Actions	Completion Date	Responsibility	Resource
<i>Education & Promotion Activities for the Updated Code</i>					
1.	Ongoing	Continued publicity/articles for members and, internally, on key aspects of Code, case studies and Frequently Asked Questions.	Ongoing	I&M, with CCAB Ethics Group where appropriate	I&M and, where relevant, personnel from other accountancy bodies
<i>Monitoring Activities</i>					
2.	Ongoing	Developments and amendments to the IESBA Code are monitored through monitoring IESBA communications.	Ongoing	I&M	I&M
3.	Ongoing	Developments affecting ICAEW members are communicated by means of newsletters, journals and similar media.	Ongoing	I&M	I&M plus ICAEW Communications Personnel

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4.	Ongoing	Compliance with code of ethics is a consideration on monitoring visits to firms and when investigating complaints.	Ongoing	QAD & PSD	QAD & PSD
<i>Maintaining Ongoing Procedures</i>					
5.	Ongoing	Responses to consultations and proposed changes are discussed with the other UK accountancy bodies forming the membership of the CCAB Ethics Group.	Ongoing	CCAB Ethics Group	I&M and personnel from other accountancy bodies
6.	Ongoing	Issues reported by individual members and students are monitored against the coverage of the Code.	Ongoing	I&M	I&M, ICAEW Ethics Advisory Services, ICAEW Professional Standards
7.	Ongoing	Periodic view of CPD and student training material.	Ongoing	I&M and LPD	I&M
8	Ongoing	Prospective amendments to the Code are discussed with appropriate committees and boards within the ICAEW and liaison is maintained with the other CCAB bodies. Changes are approved by the ICAEW Council.	Ongoing	I&M, ICAEW Ethics Standards Committee and CCAB Ethics Group	I&M

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Action Plan Subject: SMO 5—International Public Sector Accounting Standards and Other Pronouncements Issued by the IPSASB
Action Plan Objective: Continue to use best endeavours to support incorporation of IPSAS requirements into National Public Sector Accounting Requirements

Background:					
<p>The UK Treasury issues accounting guidance for central government bodies, as set out in the Government Financial Reporting Manual (FRM). The guidance is closely based on IFRS (as adopted for use in the EU), but interprets or adapts IFRS where deemed necessary. IPSAS form the next tier of the accounting hierarchy, and apply where IFRS does not address a substantive public sector issue. All formal papers prepared by the Government’s Financial Reporting Advisory Board (FRAB) on the implementation of IFRS include explicit discussion of IPSAS.</p> <p>Local government bodies in the UK implemented IFRS from 1 April 2010, using guidance in the Code of Practice on Local Authority Accounting, issued by the Chartered Institute of Public Finance and Accounting /Local Authority (Scotland) Accounts Advisory Committee Code Board.</p> <p>ICAEW supports the use of IPSAS as point of authoritative reference in the development by the UK Government and the FRAB of IFRS-based requirements for the UK public sector and the recognition of IPSAS in the UK public sector standard setting hierarchy. The ICAEW was closely involved in the debate over the proposed adaption of IPSAS for use in the EU.</p> <p>The ICAEW is keen to ensure that IPSASB’s standards and conceptual framework are aligned with the IASB’s pronouncements.</p> <p>ICAEW undertakes periodic reviews of our response to the Compliance Self-Assessment questionnaires and updates relevant sections as necessary.</p> <p>For ICAEW work in the public sector see www.icaew.com/publicsector.</p>					
#	Start Date	Actions	Completion Date	Responsibility	Resource
<i>Assistance with Implementation of IPSASB Requirements into National Public Sector Accounting Requirements</i>					
1.	Ongoing	Continue to encourage as appropriate debate on UK public sector standards and continued development of relevant standards and concepts, promoting consistency between the different sectors as much as possible.	Ongoing	ICAEW Financial Reporting Faculty (FRF)	FRF
<i>Notifying Members of IPSASB Requirements</i>					
2.	Ongoing	Maintain on the ICAEW website a list of relevant IPSASB and IASB discussion papers and exposure drafts, with details of how to contribute to any ICAEW or joint-UK submission.	Ongoing	FRF	FRF
3.	Ongoing	Ensure the monthly ICAEW newsletters for members continue to draw attention to IPSASB proposals, and, where appropriate, new standards..	Ongoing	FRF	FRF

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4.	Ongoing	Consider invitations to provide training/assistance/advice on the conversion/improvement of public sector accounting requirements in other jurisdictions.	Ongoing	FRF	FRF
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Action Plan Subject: SMO 6–Investigation and Discipline
Action Plan Objective: Maintain professional conduct arrangements of ICAEW

Background:					
<p>ICAEW upholds professional standards in the public interest. ICAEW's investigation and disciplinary procedures comply fully with the main requirements of SMO 6.</p> <p>The Financial Reporting Council, the Insolvency Service and the Irish Auditing and Accounting Supervisory Authority (IAASA) have the authority to monitor ICAEW's complaints function and these bodies undertake regular inspection visits. Complaints which raise issues of public concern in the UK are remitted to the Financial Reporting Council (FRC) ICAEW operates robust investigation and disciplinary arrangements which have the public interest at its heart. All our investigation and disciplinary committees have lay member representation. Where cases are closed without reference to the Investigation Committee, the complainant has the right to request that the complaint be considered by that committee. Should the Investigation Committee decide to take no action, the complainant can then request that the matter be considered by an independent reviewer of complaints.</p> <p>ICAEW is committed to a programme of continuous improvement which continually reviews and enhances the investigation processes. Focus is also being given to the implementation of improved communication and information sharing arrangements.</p> <p>ICAEW undertakes periodic reviews of our response to the Compliance Self-Assessment questionnaires and updates relevant sections as necessary.</p>					
#	Start Date	Actions	Completion Date	Responsibility	Resource
<i>Investigation & Disciplinary Activities</i>					
1.	Ongoing	Sanctions (Para 7) – Review guidance on sentencing provided to the Investigation Committee and to tribunals after consultation with all conduct committees.	Ongoing	Head of Resolution	Professional Conduct Department
2.	Ongoing	Provision of information and guidance to members (Para 9) – Punctual updating of ICAEW's website	Ongoing	Head of Professional Conduct	Professional Conduct Department
3.	Ongoing	Liaison with outside bodies (Para 10) – Annual training update for staff in relation to reporting requirements. All matters requiring report to the Serious Organised Crime Agency are reported promptly in accordance with legal requirements.	Ongoing	Head of Quality Assurance	
4.	Ongoing	Initiation of proceedings (Para 11) – Press monitoring to identify possible misconduct by member firms.	Ongoing	Head of Investigation	Professional Conduct Department

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5.	Ongoing	Investigative powers and processes (Para 12) – Ensure Disciplinary Bye-law 13 employed where member/firms do not co-operate.	Ongoing	Head of Investigation	Professional Conduct Department
6.	Ongoing	Investigative powers and processes (Para 13) – Monitor complaints' workload and seek additional financial and staffing resources where necessary.	Ongoing	Head of Investigation	Professional Conduct Department
7.	Ongoing	Investigative powers and processes (Para 15) – Ensure appropriate guidance given where conflicts of interest arise.	Ongoing	Head of Investigation	Professional Conduct Department
8.	Ongoing	Investigative powers and processes (Para 18) – Procure Annual Report from Reviewers of Complaints.	Ongoing	Committee Secretary	Professional Conduct Department
9.	Ongoing	The disciplinary process (Para 19) – Conduct annual review of committee membership to ensure terms of office adhered to and appropriate levels and range of skills maintained.	Ongoing	Committee Secretary	Professional Conduct Department
10.	Ongoing	Disciplinary process (Para 22) – Emphasise requirements for independence in training sessions for new committee members and undertake periodic reviews of committee handbooks.	Ongoing	Committee Secretary	Professional Conduct Department
11.	Ongoing	Administrative processes (Paras 25 & 26) – Monitor on a monthly basis elapsed times of cases both in investigation and where formal complaints have been laid.	Ongoing	Head of Investigation	Professional Conduct Department
12.	Ongoing	Administrative processes (Para 30) – Procedures manuals to include reference to employees' obligations under their contracts of employment.	Ongoing	Heads of Department	Professional Conduct Department
13.	Ongoing	Administrative processes (Para 33) – Documents to be retained during the lifetime of cases and throughout prescribed retention period.	Ongoing	Heads of Department & Head of Administration	Professional Conduct Department

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Action Plan Subject: SMO 7–International Financial Reporting Standards and Other Pronouncements issued by the IASB
Action Plan Objective: Raising awareness of IFRS and supporting the use of IFRS in the UK

Background:					
<p>In the UK, the consolidated accounts of listed groups are required by law to be prepared in accordance with EU-endorsed IFRS. There has, however, been a major debate about the merits of replacing UK GAAP for other entities with the IFRS for SMEs. This resulted in a move to a new UK GAAP based very closely on the IFRS for SMEs for medium-sized and large private UK companies and not-for-profit entities from 1 January 2015 and for small companies from 1 January 2016.. ICAEW is a strong supporter of a reporting regime closely aligned to IFRS/IFRS for SMEs in the UK, recognising that operating GAAPs based on different accounting principles is not an optimal approach for the UK accountancy profession.</p> <p>ICAEW students are trained principally in IFRS, and ICAEW IFRS learning programmes and refresher/update courses are available to members and non-members. The ICAEW Financial Reporting Faculty (FRF) provides a variety of resources to assist members seeking to apply IFRS and the new UK GAAP in their organisations, and makes membership of the faculty available to non-ICAEW members.</p> <p>ICAEW undertakes periodic reviews of our response to the Compliance Self-Assessment questionnaires and updates relevant sections as necessary.</p> <p>ICAEW and FRF IFRS resources can be found at www.icaew.com/frf.</p>					
#	Start Date	Actions	Completion Date	Responsibility	Resource
<i>Notifying Members of IFRS and IASB Exposure Drafts (SMO 7, Paras 1, 2)</i>					
1.	Ongoing	Ensure details of IASB, IFRS Interpretations Committee (IFRSIC) and relevant UK Financial Reporting Council (FRC) discussion papers and exposure drafts, with information on how to contribute to ICAEW submissions, are maintained on the ICAEW website.	Ongoing	FRF	FRF
2.	Ongoing	Ensure the monthly ICAEW Alert, which is available to all ICAEW members, continues to draw attention to IASB, IFRSIC and relevant FRC proposals and, when appropriate, new standards.	Ongoing	FRF	FRF
3.	Ongoing	Use the local ICAEW Technical Advisory Committees (TACs) and the electronic Alerts to ICAEW members to encourage contributions to ICAEW submissions.	Ongoing	FRF	FRF
<i>Assist with the Implementation of IFRS or IFRS-Based Standards (SMO 7, Para 3b)</i>					

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4.	Ongoing	Provide ICAEW members and others with a particular interest in financial reporting with the opportunity to receive more detailed analysis and practical help regarding new IFRS and relevant UK developments.	Ongoing	FRF	FRF
5.	Ongoing	Encourage members with a particular interest in financial reporting issues to debate and comment on IASB and relevant UK proposals through monthly FRF-member e-bulletins and the on-line community for FRF members hosted on the FRF website pages.	Ongoing	FRF	FRF
6.	Ongoing	Assist with the development and promotion of the ICAEW IFRS learning programmes, available to all.	Ongoing	LPD	LPD
7.	Ongoing	Continue to provide access to the IASB eIFRS service for members with a particular interest in financial reporting.	Ongoing	FRF	FRF
8.	2014	Widen access to ICAEW's IFRS resources via 'International Standards', a corporate subscription service available to professional member bodies, international businesses, accounting firms and networks.	Ongoing	TSD	FRF
<i>Adoption in the UK of IFRS or IFRS-Based Standards (SM0 7, Para 3a)</i>					
9.	Ongoing	Encourage continued debate about the alignment of UK standards for small companies and IFRS-based requirements.	Ongoing	FRF	FRF
10.	Ongoing	Work to remove disincentives for UK companies from adopting IFRS voluntarily and to identify and publicise the benefits for jurisdictions of moving to IFRS reporting.	Ongoing	FRF	FRF
11.	Ongoing	Contribute to the debate on the use of IFRS by UK listed companies after the UK exits the EU and the development of a robust endorsement mechanism for IFRS for use in the UK.	Ongoing	FRF	FRF



24 May 2019

Dana Jensen
Assistant Technical Manager
IFAC

Dear Dana

CONFIRMATION OF INSTITUTIONAL SUPPORT FOR THE SMO ACTION PLAN

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

On behalf of the leadership of the ICAEW, 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.

Yours sincerely

Michael Izza
Chief Executive
ICAEW