

## **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>	Institute of Financial Accountants (IFA)
<b>Approved by Governing Body:</b>	IFA Board
<b>Date Approved:</b>	March 2019
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<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>AML</b>	Anti - Money Laundering
<b>CPD</b>	Continuing Professional Development
<b>IFA</b>	Institute of Financial Accountants
<b>RQB</b>	Registered Qualifying Body (for auditors in the UK)
<b>RSB</b>	Recognised Supervisory Body (for auditors in the UK)
<b>SME</b>	Small or Medium-sized Enterprise
<b>SMP</b>	Small or Medium-sized Practice
<b>SMT</b>	IFA's Senior Management Team

### **Background for all SMOs:**

The Institute of Public Accountants (IPA) acquired the assets and undertakings of the IFA on 1 January 2015. This transaction commenced an amalgamation period of two years governed by an “Amalgamation Agreement”. The purpose of this transaction was to deliver:

- Greater efficiency;
- Greater effectiveness; and
- Greater member value

Over the term of the current SMO action plan great progress has been achieved which has included the rationalisation of administration functions and a concerted focus on small-medium practitioners.

The Amalgamation Agreement creates a New “IFA” Company (a subsidiary of the IPA) into which the assets and undertakings of the Old “IFA” Company were transferred. Following a period of consultation members of the IFA voted unanimously in favour of this transaction in December 2014. The Amalgamation Agreement provides for a ‘run-off period’ whereby the ‘Old Company’ would remain in place for a period of five years post the completion of the amalgamation, although dormant. This transaction has created the “IPA Group”, a reporting entity concept.

The phrase “IPA Group” is used to describe the IFA and the IPA in aggregate. Each has separate, but related, boards and separate constitutions. Therefore, the IFA and IPA are accounted for as unique entities for management, legal and financial accounting purposes.

The IPA Group is neither a separate legal entity nor an entity for taxation purposes. Taxation is not payable by the IPA Group but by the individual entities.

For financial accounting purposes, because the IFA is wholly owned by the IPA, the financial results of the bodies need to be consolidated in accordance with Australian Accounting standards.

These consolidated results will be those of the IPA Group.

The amalgamation has increased efficiency and effectiveness of the IFA, member value, and includes the following:

- transfer of IFA assets to the IPA Group,
- integration of products, services, and administrative functions of the IFA and IPA,
- mutual recognition of IFA and IPA members and designations, and
- a concerted focus on small and medium practitioners.

The IFA therefore:

- remains an independent operating entity within the IPA Group;
- maintains operational autonomy
- maintains member-led governance;
- retains its brand and specialist focus on, and provision of, qualifications, services and member benefits to SMEs and SMPs; and
- maintains disciplinary, regulatory and supervision of members.

Members enjoy membership of both the IFA and IPA at no additional cost. All members of the IFA and IPA may use both sets of IFA and IPA designatory letters after their name. This arrangement will remain in perpetuity.

Our logo provides a consistent and cohesive approach and publicly represents the IFA as a “Member of the IPA Group”.

We appreciate the model we have created is somewhat unique. However, based on member consultations in the UK, IFAC membership is highly valued. Members appreciate the recognition of the IFA being a Full Member of IFAC and how it actively engages with other IFAC membership bodies around the world.

**Action Plan Subject:** SMO 1–Quality Assurance

**Action Plan Objective:** To demonstrate IFA’s commitment to Quality Assurance and monitoring in relation to its members in practice.

**Background:**

The IFA does not train or qualify members for audit work and is not a UK Registered Qualifying Body/Recognised Supervisory Body for auditors. IFA members in practice in the UK do, however, offer other accountancy, assurance, taxation and consultancy services to the public. Members must hold an IFA Practising Certificate to do so. The IFA is one of 22 designated Supervisory Bodies under schedule 1 of UK’s Money Laundering Regulations 2017 and is also recognized as a supervisory body in the Isle of Man. It undertakes monitoring and compliance with the UK’s Money Laundering Regulations 2007 on behalf of HM Treasury in the UK and the Financial Services Authority in the Isle of Man. The IFA also designates and regulates ATOL Reporting Accountants (ARAs) on behalf of the Civil Aviation Authority (CAA) in the UK under the ATOL Reporting Accountants’ Scheme (ARA Scheme).

The IFA has put considerable staff and financial resources into its membership, qualification and learning programmes and its regulatory, compliance and supervisory areas, including : enhancing membership annual returns, development and implementation of IFA member firm annual returns, review and implementation of new IFA bye-laws, policies and regulations, updating anti-money laundering supervision and monitoring due to the introduction of the Money Laundering Regulations 2017 and piloting quality assurance in line with the requirements of ISQC1.

Further information on IFA’s regulations and its regulatory supervisory role is available at [www.ifa.org.uk](http://www.ifa.org.uk)

#	Start Date	Actions	Completion Date	Responsibility	Resource
<b>Regulation of Practicing Members</b>					
1.	Ongoing	The IFA continues to monitor its members in accordance with its Bye-laws, Code of Ethics, Regulations and Money Laundering Regulation in the UK and the Isle of Man. To help this monitoring process, the IFA has further enhanced the membership application and renewals process and introduced member firms and firm returns as part of its bye-law and regulatory changes. The latter helps the IFA in its AML supervisory role..	Ongoing	Director of Professional Standards,	IFA Chief Executive, IFA Board, SMT, Staff
<b>Maintaining Ongoing Processes</b>					
2.	Ongoing	The IFA’s regulations and guidance are reviewed annually and if necessary, updated. During 2017, the IFA updated its bye-laws, Code of Ethics and regulations, effective from 1 January 2018. The IESBA Code of Ethics Version 2016 was adopted and new regulations on engaging in public practice and CPD were introduced. We intend to implement the IESBA Code of Ethics issued in April 2018 in January 2020. As part	Ongoing	Director of Professional Standards	IFA Chief Executive, IFA Board, SMT, Staff

		of our ongoing review, we will be formalizing our quality assurance programme during 2019-2020.			
3.	Ongoing	<p>The IFA continuously reviews and updates as appropriate online and paper based practice information and guidance. Since its last submission, the IFA has enhanced its criteria for members engaged in public practice and implemented member firm returns for firms engaged in public practice. Further IT enhancements were implemented in 2018-19 to collect data on member firms.</p> <p>As part of its reviews and CPD programme, the IFA continues to educate its members and will refer matters to the Conduct Committees as appropriate.</p>	Ongoing	Director of Professional Standards	IFA Chief Executive, SMT, Staff
4.	Ongoing	<p>The IFA is actively reviewing on an ongoing basis the appropriateness of additional quality assurance review measures and development programs for members. The IFA recognises that its members operate in the public interest and that quality assurance is an important area for ongoing development. A quality assurance programme has been piloted as part of the AML reviews and will be formalised during 2019 -2020.</p> <p>A Regulatory Committee is being established to support the operation of the IFA's Professional Standards Division.</p> <p>The Regulatory Committee will consider complaints by the IFA against the member, affiliate, student or member firm where there is no third party involvement such a client, employer or other key stakeholder. If a case involves a complaint by a third party, the matter will be considered by the Disciplinary Committees.</p> <p>The Regulatory Committee will consider and determine whether there is a prima facie case that facts or matters have occurred or arisen which render a member, affiliate or member firm liable to regulatory action in relation to non-compliance with:</p> <ul style="list-style-type: none"> <li>• IFA Bye-laws</li> <li>• IFA Public Practice Regulations</li> <li>• IFA CPD Regulations</li> <li>• Money Laundering Regulations 2017</li> <li>• Any other regulations concerned with the general</li> </ul>	2017-2020	Director of Professional Standards	IFA Chief Executive, SMT, Reviewers, Staff

		<p>performance of the professional work undertaken by members, affiliates and member firms.</p> <p>The Committee will review case reports based on findings from the Compliance Team, including review findings from AML and CPD monitoring.</p> <p>If the concerns are serious or persistent, the Committee can refer the member, affiliate or member firm to the IFA's Disciplinary Case Manager for disciplinary action to be taken.</p>			
5.	Ongoing	Respond to IFAC Exposure Drafts and consultations, in particular the Code of Ethics, professional accountants in business and practice management for SMP and SMEs.	Ongoing	Director of Professional Standards	IFA Chief Executive, SMT, Staff
6.	2015	To continue to promote IFAC's work to members and students, in particular the standards, publications and announcements relating to SMEs and SMPs.	Ongoing	Director of Professional Standards	IFA Chief Executive, Communications Manager, Staff
<b>Review of IFA's Compliance Information</b>					
7.	Quarterly	Regular review of AML compliance monitoring programme and evaluation of findings to develop action plans to educate, support or discipline practicing members as appropriate. This review also includes feedback on practice matters and CPD as part of the quality assurance pilot that is currently being undertaken.	Ongoing	Director of Professional Standards, Reviewers	IFA Board, IFA Chief Executive, SMT, Staff
8.	Ongoing	Annual reporting of progress against SMO 1 compliance to IFA Board.	Ongoing	Chief Executive	IFA Board, , SMT, Staff

- Action Plan Subject:** SMO 2–International Education Standards for Professional Accountants and Other Pronouncements Issued by the IAESB
- Action Plan Objective:**
- To continue to use our best endeavours to enhance and improve educational standards for IFA members in the SME and SMP community, taking into account IAESB’s standards and guidance, where appropriate.
  - To address IAESB’s policy recommendations relating to practical experience requirements.
  - To develop and implement a comprehensive and effective framework for CPD monitoring.

**Background:**

IFA’s qualifications and its components are regulated by qualifications regulator The Office of Qualifications and Examinations Regulation (Ofqual) which regulates qualifications, examinations and assessments in England.

The IFA continuously reviews and updates its qualifications in line with Ofqual requirements, IFAC educational pronouncements and local regulations, laws, guidance and best practice. Since its last submission, the IFA has taken the decision to close down the IFA regulated qualifications early in 2018. The Ofqual regulated qualification will be replaced by a new learning programme from September 2018, which will be modular and online.

The existing Ofqual regulated qualifications and the new IFA learning programme are compliant with the learning outcomes included in IAESB’s 2017 Standards 1-7. IES 8 is not applicable to IFA members since they are not eligible to undertake audits.

The IFA has been developing its information and communication to members on Continuing Professional Development (CPD) and has amended its by-laws and developed and implemented CPD regulations accordingly.

For further information about the IFA’s educational qualifications and CPD please refer to website: [www.ifa.org.uk](http://www.ifa.org.uk)

#	Start Date	Actions	Completion Date	Responsibility	Resource
<b>International Education Standards 1–6</b>					
1.	Ongoing	<p>IFA’s qualifications comply with IAESB’s Standards 1–4 in so far as they apply to our members. All areas of IES 2 are covered in the in IFA’s professional accounting education programs, with the exception of:</p> <ul style="list-style-type: none"> <li>audit which does not apply to our members who operate below the audit threshold in the UK;</li> <li>business and commercial law is an optional unit in level 5 qualification;</li> <li>IT which is only covered in level 5 qualification.</li> </ul> <p>Law Advanced tax and Assurance are now covered within the new IFA study programme and is compulsory for all prospective members</p>	2018	Education Manager	IFA Board, IFA Chief Executive, SMT, Staff

#	Start Date	Actions	Completion Date	Responsibility	Resource
2.	Ongoing	The requirements of IES 5 and IES 6 are followed by the IFA in line in so far as they apply to our members and the regulatory qualification requirements in the UK. IFA does not apply a period of Initial Professional Development as this is incorporated within the IFA learning pathway ethics assessment and evidence of 3 years professional development in an accounting role prior to becoming a member in practice. IFA's examinations test the application of the specified knowledge for each of the subject areas. In addition to passing all modules in the qualification, prior to students progressing to membership, they are required to complete a written assessment on ethics in the workplace if they are unable to provide evidence of having completed ethics elsewhere. This written assessment can be undertaken at any time prior to becoming a member. The new IFA study programme being introduced in 2018 will have ethics embedded within the modules. The ethics assessment will continue to be available for potential members who cannot provide evidence of having completed ethics.	2018	Education Manager	IFA Board , IFA Chief Executive, Education Manager, SMT, Staff
3.	Ongoing	IFA will continue to review and improve its educational qualifications and requirements to develop an approach that is suitable for SME and SMP community and the IFA, taking into account IAESB's standards and guidelines, the UK's regulatory requirements and IFA's educational strategy.	Ongoing	Education Manager	IFA Board, IFA Chief Executive, Education Manager, SMT, Staff
4.	Ongoing	Undertake further research on how students access practical experience and the support they obtain to develop an approach to practical experience that is suitable for the SME and SMP community and the IFA.	Ongoing	Education Manager	IFA Board , IFA Chief Executive, Education Manager, Staff
5.	Ongoing	IFA will continue to review the criteria and pathways to membership to ensure it meets IAESB's standards and guidance, where appropriate to our members.	Ongoing	Education Manager	IFA Board , IFA Chief Executive, Education Manager, SMT, Staff

#	Start Date	Actions	Completion Date	Responsibility	Resource
<b>International Education Standards 7</b>					
6.	1 January 2015	From 1 January 2015, the IFA has implemented mandatory CPD for all its members (previously only practice members had to comply with CPD requirements). As part of meeting IAESB's CPD requirements, the IFA has moved from an input-based approach (measures number of hours) to a combinations based approach (a mixture of input and output). The IFA believes that this approach will bring more personal autonomy, freedom and flexibility on how members wish to develop professionally, while still providing guidance to its members as to the CPD activity that is required.	2017	Director of Professional Standards	IFA Chief Executive, SMT, Staff
7.	2015	Develop and implement a monitoring framework for CPD in the organisation. Progress on this area has been delayed due to changes in CPD requirements included in the new CPD regulations effective from 1 January 2018. It is intended that this objective will be achieved in 2019.	2019	Director of Professional Standards	IFA Chief Executive, , Reviewers, Staff
8.	2015	Based on a risk framework, reviewers discuss CPD with members engaged in public practice as part of the AML supervisory review. This process will be formalized during 2019.	2019	Director of Professional Standards	IFA Chief Executive, Reviewers, , SMT, Staff
9.	2017	The IFA has formalised its CPD requirements in its CPD regulations which are effective from 1 January 2018. In order to align to the IPA regulations and based on member feedback, the IFA has moved to an input-based approach (number of hours) to CPD.	2018	Director of Professional Standards	IFA Chief Executive, Reviewers, SMT, Staff
<b>Maintaining Ongoing Processes</b>					
10.	Ongoing	Produced information and guidance on education and competency requirements, signposting ways to achieve improved learning and development for prospective members. For example, the IFA has developed its <a href="#">education e-brochure</a> which includes a competency framework based on IES 3.	2016	Education Manager	SMT, Staff

11.	Ongoing	Continuing improving access to learning opportunities and CPD, and support members development through the IFA branch network, webinars,, conferences, workshops on-line apps and other initiatives.	Ongoing	Business Development	IFA Chief Executive, SMT, Education Manager
12.	Ongoing	To respond to IAESB's consultations on standards and guidelines.	Ongoing	Education Manager	IFA Chief Executive, SMT, Staff
<b>Review of IFA's Compliance Information</b>					
13.	Ongoing	Annual reporting of progress against SMO 2 compliance to IFA Boardl.	Ongoing	IFA Chief Executive	IFA Board, Director of Professional Standards, SMT and Education Manager

**Action Plan Subject:** SMO 3—International Standards and other Pronouncements Issued by the IAASB  
**Action Plan Objective:** To use best endeavours to comply with SMO 3, taking into account IFA’s remit, capacity and competence.

**Background:**

The FRC’s International Standards on Auditing (UK and Ireland) (ISAs (UK and Ireland) and International Standard on Quality Control (UK and Ireland) (ISQC (UK and Ireland) are based on the International Auditing and Assurance Standards Board (IAASB)’s International Standards on Auditing (ISAs) and International Standard on Quality Control (ISQC) which were published in 2009.

The IFA does not train or qualify members for external audit work and is not a UK Registered Qualifying Body/Recognised Supervisory Body for auditors. IFA members in practice in the UK do, however, offer other accountancy, assurance, taxation and consultancy services to the public. Members must hold an IFA Practicing Certificate to do so. Most IFA members in practice are sole traders.

Given that the IFA is not a Recognised Qualifying Body/Recognised Supervisory Body for auditors, SMO3 has limited relevance to the IFA and its members, other than in the areas of assurance. While the IFA has no direct responsibility, the IFA does monitor UK adoption, and considers whether it needs to promote or support adoption in anyway.

IFA members in practice may also undertake certain limited assurance engagements for charities which fall below the UK’s audit threshold, ATOL reports and certification of income. These types of assurance engagements have specific UK requirements. However, the IFA’s Code of Ethics has incorporated IFAC’s section 290 audit and review engagements and section 291 other assurance engagements to provide guidance to our members in this area.

#	Start Date	Actions	Completion Date	Responsibility	Resource
<b><i>Maintaining Ongoing Processes</i></b>					
1.	Ongoing	Continue to monitor IAASB pronouncements and communicate these pronouncements to members as appropriate via the usual IFA communication channels.	Ongoing	Director of Professional Standards	IFA Chief Executive, Communications Manager, Staff
<b><i>Review of IFA’s Compliance Information</i></b>					
2.	Ongoing	Annual reporting of progress against SMO 3 compliance to IFA Board.	Ongoing	IFA Chief Executive	IFA Board, Director of Professional Standards, SMT

**Action Plan Subject:** SMO 4–IESBA Code of Ethics for Professional Accountants  
**Action Plan Objective:** Continuous improvement to raise awareness and embrace good practice on ethics learning, development and ethical behaviors amongst IFA members and students and the SME/SMP community

<b>Background:</b>					
<p>The IFA has adopted the International Ethics Standards Board for Accountants (IESBA) 2016 Code of Ethics. The IFA monitors the activities of the IESBA and reviews and updates the IFA Code to include new requirements on a regular basis as required.</p> <p>The IFA has developed and put in place ethics learning for students and mandated ethics learning for prospective members. The IFA’s qualifying programme includes two compulsory ethics units. From September 2018, the IFA will be introducing a new learning programme for students which embeds ethics in its modules, in particular the assurance and tax modules.</p> <p>For further information about the IFA’s Code of Ethics, IFA’s qualification and learning programme, and member support please refer to website: <a href="http://www.ifa.org.uk">www.ifa.org.uk</a></p>					
#	Start Date	Actions	Completion Date	Responsibility	Resource
<b>Maintaining Ongoing Processes</b>					
1.	Ongoing	Promotion of the Code of Ethics to members and students via the usual IFA communication channels on a regular basis. This includes key aspects of the Code, case studies and frequently asked questions.	Ongoing	Communications Manager	Director of Professional Standards, Education Manager, Disciplinary Case Manager, Staff
2.	Ongoing	Monitor IESBA communications for developments and amendments to the IFAC Code of Ethics and other ethics related areas. New requirements from the IFAC Code of Ethics are included in the IFA Code of Ethics as required.	Ongoing	Director of Professional Standards	Communications Manager Education Manager, Staff
3.	Ongoing	The IFA is seeking to participate more in IESBA issues of particular interest to the SME and SMP community.	Ongoing	Director of Professional Standards	Communications Manager, Education Manager, Staff
4.	Ongoing	The IFA’s new learning programme will be available to students from September 2018. The new programme is online and modular in format. Ethics is embedded in the modules, particularly the assurance and tax modules.	September 2018	Education Manager	IFA Chief Executive, Director of Professional Standards, Communication Manager, Staff

#	Start Date	Actions	Completion Date	Responsibility	Resource
5.	Ongoing	All students and members are required to undertake IFA Ethics assessment before they are eligible for membership of the IFA or evidence that they have undergone and successfully completed an equivalent programme elsewhere. The IFA Ethics assessment is based on knowledge and application of the IFAC Code of Ethics which is based on the IFAC Code of Ethics. The IFA has reviewed the written ethics assessments. This project was completed in 2016.	2016	Education Manager/Operations Manager	IFA Chief Executive, Director of Professional Standards, Staff
6.	Ongoing	Improve access to ethics learning and ethics CPD, and support members ethical development through branch networks, events and initiatives. For example, through our partner organisation, we promote online courses to members on ethical issues for accountants, professional skepticism, ethical compliance and professionalism and ethics. To further support our members, we have enhanced our website content in this area..	2016	Director of Professional Standards	IFA Chief Executive, Communications Manager,, Staff
7	Ongoing	The IFA intends to adopt the new IESBA Code of Ethics issued in April 2018 in January 2020. It has already begun to publicise the key changes to its members via the usual communication channels.	January 2020	Director of Professional Standards	IFA Chief Executive, Communications Manager,, Staff
<b>Review of IFA's Compliance Information</b>					
8.	Ongoing	Annual reporting of progress against SMO 4 compliance to IFA Board.	Ongoing	IFA Chief Executive	IFA Board. Director of Professional Standards, Education Manager

**Action Plan Subject:** SMO 5–International Public Sector Accounting Standards and Other Pronouncements Issued by the IPSASB  
**Action Plan Objective:** To use best endeavours to comply with SMO 5, taking into account IFA’s remit, capacity and competence.

**Background:**

The UK government has adopted IFRS for its accounts. However, the requirements and characteristics of the public sector are not always covered by the IFRS framework. Therefore, the public sector has interpreted and adapted the IFRS standards where IFRS does not fit public sector requirements by referring to the IPSAS framework and standards. In general, as a result of an adaptation process which uses IPSASs as one of its reference points, this has had the effect of bringing the UK public sector requirements closer to the IPSASs. Effectively the UK substantially complies with IPSASs, even though it has not formally adopted them as the primary basis for public sector financial reporting.

IFA focuses on the SME and SMP community and does not have any members in the public sector. It has no responsibility for the adoption of public sector accounting standards. Therefore, IPSAS pronouncements and IFA’s ability to influence IPBAS pronouncements is limited and has no planned action in this area

#	Start Date	Actions	Completion Date	Responsibility	Resource
<b><i>Review of Organization’s Compliance Information</i></b>					
1.	Ongoing	Annual reporting of progress against SMO 5 compliance to IFA Board.	Ongoing	IFA Chief Executive	IFA Board, SMT

**Action Plan Subject:** SMO 6—Investigation and Discipline  
**Action Plan Objective:** To use our best endeavours to bring the IFA into line with best disciplinary practice within as short a timescale as possible, taking into account the resources available, enabling full compliance with the requirements of SMO 6.

**Background:**

The IFA has a robust system for investigation, discipline and appeal based on complaints. Complaints can be raised by members against another member, member of the public and also the IFA. The IFA will raise complaints against a member for breaches of its bye-laws and regulations and also breaches for the Money Laundering Regulations 2017 and equivalent legislation in the Isle of Man. These breaches are usually based on feedback from the compliance department and reviewers which are primarily focused on AML.

The IFA's disciplinary process includes three Conduct Committees: Investigations, Disciplinary and Appeal Committee. These Committees are independent of the IFA and include a mixture of members and lay members. Complaints are dealt with by the Disciplinary Case manager who prepares a case report for consideration by the Investigations Committee. The Investigations Committee will consider the complaint to determine whether there is prima facie evidence of misconduct based on the balance of probabilities and the evidence included in the case report. The Investigations Committee can refer the matter to the Disciplinary Committee if it believes that there is prima facie evidence of misconduct and the matter cannot be dealt with by the Investigations Committee because it is beyond its remit.

All the Conduct Committees can impose sanctions as detailed in the IFA's Disciplinary Regulations and Sanctions Guidance. Sanctions include a caution, reprimand, severe reprimand, imposition of conditions on the member, suspension of practicing certificate and expulsion from membership.

Complaints are reviewed for progress on a regular basis and there are tracking and record keeping mechanism in place to document the investigations and disciplinary process. Proven disciplinary findings are published on the IFA website and the IFA "Financial Accountant" Magazine.

For further information about the IFA's disciplinary process, please refer to website: [www.ifa.org.uk](http://www.ifa.org.uk)

#	Start Date	Actions	Completion Date	Responsibility	Resource
<b>Maintaining Ongoing Processes</b>					
1.	Q2 2013	IFA's Disciplinary Regulations were re-written and implemented in 2013, taking into account the SMO 6 requirements. The regulations are available on the IFA's <a href="#">website</a> .	31 December 2013	Director of Professional Standards	IFA Board, IFA Chief Executive, , Disciplinary Case Manager, Staff

2.	Q2 2013	To achieve the aim of complete independence from the operational activity of the institute for the disciplinary process; to split the current professional standards director and into three distinct areas – focusing on independent disciplinary work, internal regulation and supervision, and anti-money laundering oversight and enforcement.	31 December 2013	Director of Professional Standards	IFA Chief Executive, , Disciplinary Case Manager, Staff
3.	Q2 2013	A new three tier conduct committee system – with Investigations, Disciplinary and Appeals Committees – has been introduced together with a clear separation between disciplinary work and the day to day operations of the IFA.  The performance of the Conduct Committees is overseen by the independent Professional Standards Director.	31 December 2013	Director of Professional Standards	IFA Chief Executive, , Disciplinary Case Manager, Staff
4.	Q2 2013	In connection with the setting up of the Conduct Committees, all committees in the disciplinary structure are chaired by legally qualified individuals and new members and lay members were recruited and trained to ensure that the IFA's disciplinary and legal requirements such as human rights legislation are fully met.	31 December 2013	Director of Professional Standards	IFA Chief Executive, , Disciplinary Case Manager, Staff
5.	Q2 2013	Reviewed and revised internal processes and timelines for dealing with complaints and the disciplinary process to reflect the revised structure.	31 December 2013	Director of Professional Standards	IFA Chief Executive, , Disciplinary Case Manager, Staff
6.	Ongoing	Provide information and guidance to members, their employers and clients on disciplinary processes, to obtain transparency and accessibility, using the IFA's website and the "Financial Accountant" magazine and dedicated communication such as press releases. Further information on the IFA's disciplinary process is available on the <a href="#">website</a> .	Ongoing	Director of Professional Standards	IFA Chief Executive, Communications Manager, Disciplinary Case Manager, Staff
7.	Ongoing	Liaise with other professional bodies and relevant public authorities where members are involved in misconduct and disclose information as required.	Ongoing	Director of Professional Standards	IFA Chief Executive, , Disciplinary Case Manager, Staff
8.	Ongoing	Publicise the proven disciplinary cases of the Disciplinary and Appeals Hearings on the IFA's <a href="#">website</a> and the bi-monthly magazine.	Ongoing	Director of Professional Standards	Communications Manager, Disciplinary Case Manager

<b>#</b>	<b>Start Date</b>	<b>Actions</b>	<b>Completion Date</b>	<b>Responsibility</b>	<b>Resource</b>
9.	Ongoing	Continue to review the effectiveness of IFA's disciplinary process to ensure it remains fit for purpose: <ul style="list-style-type: none"> <li>• recruitment of additional members for the IFA's Conduct Committees;</li> <li>• developing further training for the IFA's Conduct Committee;</li> <li>• reviewing regulations, process, documentation in this area.</li> </ul>	2016	Director of Professional Standards	IFA Chief Executive, , Disciplinary Case Manager, Staff
10.	Ongoing	To monitor complaints and cases with a view of educating members' on key issues by including articles in IFA's bi-monthly magazine and other usual communication channels.	Ongoing	Director of Professional Standards	IFA Chief Executive, Communications Manager, Disciplinary Case Manager, Staff
11	2017	Further enhanced the disciplinary regulations effective from 1 January 2018 for minor clarification points, following feedback from the disciplinary case manager, Conduct Committee members and other staff.	2017	Director of Professional Standards	IFA Chief Executive, Communications Manager, Disciplinary Case Manager, Staff
<b><i>Review of the IFA's Compliance Information</i></b>					
12.	Ongoing	Annual reporting of progress against SMO 6 compliance to IFA Board.	Ongoing	IFA Chief Executive	IFA Board, Director of Professional Standards, Disciplinary Case Manager

**Action Plan Subject:** SMO 7–International Financial Reporting Standards and Other Pronouncements issued by the IASB  
**Action Plan Objective:** To use best endeavours to promote understanding and take up of IFRS by the accounting community

**Background:**

The UK, via the Financial Reporting Council (FRC), has adopted IFRS for consolidated financial statements of all companies whose securities trade in the regulated market. The FRC sets UK and Ireland accounting standards. Standards are amended periodically in response to particular issues or regular reviews. Standards are developed after taking account of outreach with stakeholders. In addition, guidance is available from FRC Staff Education Notes and SORPs, developed by SORP-making bodies, for particular sectors.

The FRC introduced new financial reporting standards effective for accounting periods on or after 1 January 2016. The standards applicable to SMEs are: FRS 105 The Financial Reporting Standard for the Micro-entities Regime and FRS 102 The Financial Reporting Standard applicable in the UK and Republic of Ireland. FRS 102 is based on the principles found in IFRS Standards, specifically IFRS for SMEs. However, the FRC has modified the requirements significantly, both in terms of the scope of entities eligible to apply the standard and the accounting treatments provided. FRS 105 is based on FRS 102, but adapted to reflect the simpler nature and smaller size of micro-entities and the legal requirements applying to them. Smaller entities, which meeting the relevant criteria, have a choice regarding which standards to follow: the micro-entities regime (FRS 105), the small entities regime (Section 1A Small Entities of FRS 102); and FRS 102.

Subsequent to being issued, the FRC has published incremental improvements and clarifications to the above standards which is available at <https://www.frc.org.uk/accountants/accounting-and-reporting-policy/uk-accounting-standards/standards-in-issue>

The UK government has backed the Kingman review, and will replace the Financial Reporting Council (FRC) with the Audit, Reporting and Governance Authority (ARGA). The Government is in the process of appointing new leadership at the FRC which will eventually transition into ARGA. The scope of ARGA's remit and work has not been finalised.

The IFA has supported the move to International Financial Reporting Standards (IFRS) by embedding the IFRS for Small and Medium Entities (SMEs) and general learning about IIFRS within its qualification programme. The IFA also provides two CPD Diplomas in full IFRS for Professional Accountants and IFRS for Business.

From September 2018 onwards, the IFA will be offering a new online modular learning programme which will cover FRS 105, FRS 105 and UK GAAP. It will continue to offer the full IFRS diploma as part of its offering to members and others.

The IFA provides coverage of relevant technical updates on IFRS to the SME/SMP community and where appropriate, responds to IASB's consultations in so far as they affect the SME/SMP community.

#	Start Date	Actions	Completion Date	Responsibility	Resource
<b>Maintaining Ongoing Processes</b>					
1.	Ongoing	Undertake regular reviews and updating on the IFA's IFRS qualification and CPD programmes. The IFA has introduced a new learning programme to include IFRS	2018	Education Manager	IFA's Professional Team, IFA Board, Staff and External Experts
2.	Ongoing	Produce relevant coverage on IFRS developments for IFA members and use best endeavors to promote IFRS take up amongst the accounting and business community via the IFA's usual communication channels and events.	Ongoing	Communications Manager	Education Manager, Director of Professional Standards, Staff
3.	Ongoing	Promote IASB consultations to IFA members and respond to these consultations, in particular those that affect SMEs and SMPs.	Ongoing	Communications Manager	Education Manager, Director of Professional Standards, Staff
4.	Ongoing	From September 2018 onwards, the IFA will be offering a new online modular learning programme which will cover FRS 105, FRS 105 and UK GAAP.  It will continue to offer the full IFRS diploma as part of its qualifications programme.	September 2018	Education Manager	Communications Manager, Director of Professional Standards, Staff
<b>Review of IFA's s Compliance Information</b>					
5.	Ongoing	Annual reporting of progress against SMO 7 compliance to IFA Board.	Ongoing	Chief Executive	IFA Board, Operations Manager, Education Manager, Risk and Compliance Group



**INSTITUTE OF  
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ACCOUNTANTS\***  
A MEMBER OF THE IFA GROUP

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Date: 9 April  
Name: Damien Moore, Chair of the IFA Board  
Title: Mr  
Company: Institute of Financial Accountants  
Address: CS111, Clerkenwell Workshops, 27-31 Clerkenwell Close, Farringdon, London EC1R 0AT  
United Kingdom  
Email: damien@shd.co.au

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 Financial Accountants has reviewed the information contained in the SMO Action Plan prepared by the Institute of Financial Accountants 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 Financial Accountants, 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,

Damien Moore, FIPA, FFA

Chair of IFA Board

(Signature of President or Chairman of the Board or equivalent)

(Title)

Institute of Financial Accountants

(Name of Organization)

9 April 2019

(Date)