

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 Associate:	Colegio de Contadores Públicos de Pichincha y del Ecuador (CCPPE)
Approved by Governing Body:	Board of Directors
Original Publish Date:	November 2019
Last Updated:	November 2019
Next Update:	November 2021

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

CCC	Quality Control Commission
CCPPE	College of Public Accountants of Pichincha and Ecuador.
NIC	International Accounting Standards
NEC	Ecuadorian Accounting Standards
CC	Quality Control
DOM	Statements on Membership Obligation
IAASB	International Standards Board of Audit and Assurance
IAESB	International Accounting Training Standards Board
IASB	International Accounting Standards Board
IES	International Education Standards
IESBA	International Ethics Standards Board for Accountants
IFRS	International Financial Reporting Standards
IPSAS	International Accounting Standards for Public Sector
IPSASB	International Accounting Standards Board for Public Sector
ISA	International Standards Auditing
NIA	International Auditing Standards
NIIF	International Financial Reporting Standards
PAC	Quality Assurance Program
Pymes	Small and Medium Entities
SEPS	Superintendence of Popular and Solidarity Economy
QA	Quality Assurance System
SME	Small and Medium Entities
SMO	Statements of Membership Obligations
TH	Honor Court (Ethics Committee)
ISQC	International Quality Control Standard
ISRE	International Standards for Orders Review
ISAE	International Standards of Assurance Orders
ISRS	International Standards of Related Services
SENESCYT	Secretariat of Higher Education, Science, Technology and Innovation

Action Plan Subject: General Description of Organization, Environment and Goals of the Action Plan
Action Plan Objective: Describe Regulatory and Standard-Setting Framework, Governance, Challenges and Key Success Factors

General Background

The Colegio de Contadores Públicos de Pichincha y del Ecuador (CCPPE) was constituted by ministerial agreement number 638 at July, 14th, 1943, at June 29th, 2016, through the Agreement 2016-107 of the Secretary of Higher Education Science, Technology and Innovation, the national scope is modify and the denomination is added and of Ecuador. Its main function is to promote the accounting professionals progress. Currently it has approximately 16.000 collegiates, of which an average of 6.000 active members renew annually under the figure of Certified Public Accountant and Public Accountant Bachelor, becoming the most representative professional guild in Ecuador.

AÑO 2018				AÑO 2017			
INSCRIPCIONES Y RENOVACIONES			ACUMULADO	INSCRIPCIONES Y RENOVACIONES			ACUMULADO
CBA	CPA	TOTAL		CBA	CPA	TOTAL	
367	754	1121	1121	607	954	1561	1561
251	488	739	1860	246	523	769	2330
142	316	458	2318	157	412	569	2899
159	300	459	2777	130	231	361	3260
104	217	321	3098	91	157	248	3508
113	211	324	3422	92	203	295	3803
0	0	0	3422	90	158	248	4051
0	0	0	3422	55	96	151	4202
0	0	0	3422	66	122	188	4390
0	0	0	3422	60	114	174	4564
0	0	0	3422	133	199	332	4896
0	0	0	3422	113	174	287	5183
1136	2286	3422		1840	3343	5183	

CCPPE has elaborated its Strategic Plan 2019-2021, considering the need of accounting professionals, of regulatory entities and society under the context and local and international reality, considering the experience of related unions in other Latin American countries, based on the IFAC guidelines, and the attributes that by law belong to the CCPPE; this is in order to adapt the CCPPE strategies to the demands of the environment and for the benefit of its members. Everything related to this and other interest topics can be found on the collage website: www.ccpp.org.ec

CCPPE is the pioneering Institution in exposing, disseminating and promoting ethics, values and professional training.

Regulatory framework and standards definition

The Colegio de Contadores Públicos de Pichincha y del Ecuador CCPPE is rule by its Statute and regulation approved by the Ministry of Education and Culture according to the agreement 3732 at September 2004. The Accountants Law issued by supreme decree 3004 at

September 29th, 1964 in charge of promoting the profession and to consecrate two levels of technical, superior and medium education, to seek a better scientific and practical capacity to allow it to fully company with its delicate professional functions.

The Colegio de Contadores Públicos de Pichincha y del Ecuador CCPPE competence, does not authorize to issue or determine the application of accounting standards in Ecuador, each regulator determines the presentation bases of its controlled, the CCPPE supports actively the accounting application of each regulator through agreements that permit to the accounting profession is update in the activities development, among the most important normative frameworks we can mention that from 2010 by disposition of the Companies Superintendence and Insurance, adopted the International Financial Reporting Standards (NIIF) and the International Auditing Standards (NIA), in so far as the International Financial Reporting Standards for Small and Medium Entities (NIIF PYMES) were applied since 2011 except for Insurance that has not yet begun its convergence process; the Finance Ministry is the regulatory institution for the accounting in the public sector, determined the applicability of the International Standards for Public Sector (NIC SP) entered in force at 2018, and are in adaptation and convergence process. The Bank Superintendence for its regulated determines a manual of accounts that becomes the bases for balance preparation. The Popular and Solidarity Economy Superintendence in the same way has two segments the financial and non-financial, the financial emulates the Bank Superintendence dispositions and the Non-financial has basic regulations of presentation. The others civil companies and natural persons prepare their accounting based on tax regulations.

Governance Framework

The CCPPE has been formalized in its current Statute, the constitution of 10 Commissions, whose work scheme is permanent, created by College mandate and other that are born in response to the needs presented to the proper development of activities. The established commissions are: Professional Qualification, Legislation and Professional Defense, Administration and Finance, Technical Advice, Continuing Education and Professional Improvement, Internal Auditing, Social, Cultural and Sport Affairs, Social and Corporative Responsibility. The CCPPE has created an Executive Committee, which is leaded by the President of the Directors Board Dr. Cristina Trujillo, the Coordinator of IFAC issues, Dr. Antonio Trujillo, and the CCPPE Executive Director Ec. Patricio Barrera M. The commission will give instructions to the directors of each commission so that in its work scheme it complies with some DOM; in this way it keeps an adequate orientation is maintained to the Works that must be carried out, as well as a constant feedback. Besides, is intended to strengthen this issue with the creation of a Corporate Governance and Institutional Risk Committee that will be in charge of the structure study of the CCPPE, as well as the position before matters of national interest and of the profession, as in the public and private sector.

Challenges and key success factors

The CCPPE has an administrative and financial structure leader by the Ec. Patricio Barrera, administrative management, structure that allows undertake and conclude successfully the different projects that the CCPPE has undertaken, additionally the CCPPE has the quality certification ISO 9001 as a guarantee of compliance of present and future projects. One of the challenges that CCPPE has is the creation of a professional certification to ratify the suitability of all its collegiates. Other of the fundamental challenges is to provide training and certification programs to accountants throughout Ecuador, for which the existing technological platform will be strengthened.

Another main tasks in which the CCPPE, is realize the best effort to raise awareness about ethic and financial information quality importance topics; its application generates numerous benefits in transparency and investment terms.

Contacts were established with the Popular and Solidarity Economy Superintendence; institution responsible for controlling financial and non-financial institutions of popular economy; with whom after an arduous and extensive work it was possible to sign an inter-institutional agreement for training functionaries of more than 8.000 cooperatives of different economic activities.

The agreement between the Internal Revenue Service SRI and the CCPPE, allows a diffusion and tax and accounting training that contributes to the education in civic values tributary of society.

For the CCPPE is very important and indispensable that the partners and professionals of similar careers receive permanent updated training in regulations to develop successfully their objectives through the dissemination training and linking axes.

Realize the necessary steps with the regulators for the execution of the Quality Control Program in audit work.

Priorities for 2019-2021

One of the priorities in this period is to conduct a study with the Work Commissions, establish a real commitment of its members and align their work plans with the DOM

Establish the 2019 as the Ethic and Quality Financial Information year, highlight its importance, and indicate the implement that CCPPE has to achieve this is through the dissemination, training and ongoing advice to its members.

Realize the necessary steps to achieve greater links with public or private organizations, nationals or internationals that strengthens the Collage social commitment, becoming an active and representative trade association.

Carry out CCPPE restructuring of the organic part that permits to respond to the technical needs and motivate to the Technical Commission as an advisor entity in matters pertaining to compliance with international technical regulations, focused on DOM, actively participating in the drafts issued by IFAC and other international issues.

We want as Institution to take advantage of the situation that implies the belonging to IFAC to materialize the changes that are required by dynamics and evolution as the profession in our country as the one that is required to harmonize in the global scheme.

Plan, organize, develop and execute professional certification processes

Projects 2019

1. The main Project that leads the fulfilment CCPPE objectives for this 2019 is to implement a professional certification program at a country level for accountants and auditors: and maintain the Normative Disclosure National Plan in NIIF, NIAS, IPSAS and Ethic Code, with which it is intended that the application of these regulations are of national application in all the organizations required to keep accounts, and that the same are developed in a timely and appropriate manner.

Its base are the axes of disclosure training and linking, besides considers ethics and quality assurance as traversal axes. The Plan is oriented in such what that each of these axes is directly related with the Declarations of Obligatory Membership, so that the activities of the program give full compliance to the 7 DOM.

This Plan will be socialized with the Internal Revenue Service SRI, the Popular and Solidarity Economy Superintendence and with the Companies Superintendence.

2. Impulse the quality control reviews by the Companies Superintendence about the presented works by the External Auditors.
3. Support the Accounting Standards adoption in the Public Sector for which it will coordinate with the Finance Ministry, monitoring the IPSA adoption process. The CCPPE will prepare conferences and workshops, to socialize with the different dependencies and exert a joint pressure so that the activities required for implementation are effectively carried out.

4. Establish permanent work tables with the Control organisms' functionaries.
5. Fortify and maintain the face-to-face and virtual programs training for partners from all the provinces of the country.
6. Provide equipment and technology in the new CCPPE building, with modern and interactive classrooms.

Action Plan Subject: DOM 1, Quality Assurance
Action Plan Objective: Establish an Effective Quality Assurance System

#	Start date	Actions	Term Date	Responsibility	Resources
<p><u>Background:</u> The quality assurance system is the responsibility of the Securities and Insurance Companies Superintendence, the CCPPE maintains permanent work tables with functionaries of this Institution providing technical advice to promote actions that permit a better control and Audit reports review. Workshops have been given to prepare to the regulators and disseminate the quality control importance. Currently the regulator has not been issued a pronouncement or regulation for the implementation of Quality Assurance in Ecuador.</p> <p>From September 2019 NIAAS schools have been promoted, with Local and International Trainers participations that included chapters corresponding to the Quality Control.</p> <p><u>Application 2019</u> The obligation to present an Audit is based on the articles 20, 23 and 231 from the Companies Law that determines the obligatory nature of presenting in the first quarter of each year the memories and managements reports and inspection institutions established in the law, as the External Audit reports that proceed, the Collage promote constantly technical information and training to disseminate the responsibility and benefits of an adequate quality assurance system, since implicitly all the auditors, to comply with the current regulations should adopt an effective quality assurance system.</p> <p>The institution in charge of quality control to the external audit reports, is the Companies Superintendence through the Intervention and Control Unit, which has random review and control procedures but not adjusted to a quality assurance system under the ISQ 1.</p> <p>The Quality Assurance is consider a fundamental axis in the CCPPE Plan with the regulatory institutions.</p>					
Initial Stages to Create an Effective Quality Assurance System					
1.	January 2019	Delivery of the Standard ISQC 1 of Quality Control to the local regulators to encourage the use of this guide, by the control entity.	January 2019	Technical Commission. Regulators	• CCPPE
2.	February 2019	Establish work tables with the regulators for discussion and understanding of ISQC 1 of Quality Control.	May 2019	CCPPE Directors Board	• CCPPE • CCPPE Directors Board
3.	June 2019	Socialization tables among all the regulators (Companies Superintendence, Banks Superintendence, Popular and Solidary Economy Superintendence, Internal Rents Service) to share and determine quality control procedures under ISQC 1	June 2019	CCPPE Directors Board CCPPE Commissions Signatures Forum	• CCPPE, Compliance with Agreements
4.	June 2019	Training for functionaries of the regulators in the ISQC 1 Standard of Quality Control. Verification process of compliance of auditing firms against the manual of	August 2019	Regulators Technical Commission.	• CCPPE • CCPPE Directors Board

#	Start date	Actions	Term Date	Responsibility	Resources
		CC. Read, analyze and reflect the DOM 1 components as guide to generate a structure and framework to the Quality Assurance Plan (PAC).			
5.	July 2019	Acquisition of audit manual for Pymes, edited by IFAC for selling.	August 2019	Technical Commission	• CCPPE
6.	September 2019	Disclosure of the ISQC 1 Standard through the signatures forum, to the auditors for their implementation and application.	October 2019	CCPPE Directors Board CCPPE Commissions Signatures Forum	• CCPPE • Technical Commission
7.	October 2019	Training workshop for reviewer Quality Control in the ISQC 1 Standard	November 2019	Technical Commission. Signatures Forum	• CCPPE • Quality Control Commission (CCC) • Volunteers
8.	November 2019	Permanent work table with the Company Superintendence to talk about the preliminary results review of the quality controls made by this institution.	November 2019	Technical Commission. Signatures Forum	• CCPPE • Quality Control Commission (CCC)
9.	December 2019	Implementation of a training plan for Auditors, in according to the deficiencies found by the control entity in its quality preliminary reviews.	December 2019	CCPPE Directors Board	• CCPPE • Director Board
10.	December 2019	Obtain IFAC authorization to publish the ISQC 1 Standard to all its affiliates.	December 2019	CCPPE Executive Director	• CCPPE • Attorney • Quality Control Commission (CCC)
11.	December 2019	Work Plan monitored by the Directors Board to ensure through annual reviews that the quality level is in compliance with the DOM 1 components.	December 2019	CCPPE Directors Board	• CCPPE • Quality Control Committee (CCC)
Maintain continuous processes					
12.	Continuous	Establish a permanent training plan for auditors and regulators about ISQ 1. Full ISQ 1 implementation in the audits firms and audits team. Ensure through annual reviews that the PAI quality level list in compliance with the DOM 1 components.	Continues (Every year in Dec.)	CCPPE Directors Board Technical Commission. Signatures Forum	• CCPPE • Quality Control Committee (CCC)
Review and update information of Part I and II of the Compliance Program					

#	Start date	Actions	Term Date	Responsibility	Resources
13.	Continuous	<p>Review the answers of the Compliance Program Part I and II and make the necessary modifications to update. Inform to the IFAC managers about the PAC changes to publish the current information.</p> <ul style="list-style-type: none"> - Appoint a responsible person to review the information of the Part I and II and if fish the case make modifications. - Report to IFAC about the changes. 	Continues (Every year in Dec.)	Quality Control Commission	<ul style="list-style-type: none"> • CCPPE • Quality Control Committee (CCC)

Appendix—Main Requirements of SMO 1

Requirements	Y	N	Partially	Comments
<p>Scope of the System</p> <p>1. At a minimum, mandatory QA reviews are required for all audits of financial statements.</p>		X		
<p>Quality Control Standards and Other Quality Control Guidance</p> <p>2. Firms are required to implement a system of quality control in accordance with the quality control standards.</p>		X		
<p>3. Most up to date versions of ISQC 1 and other relevant ISA are adopted as the quality control standards.</p>		X		
<p>4. Member Body assists firms in understanding the objectives of quality control and in implementing and maintaining appropriate systems of quality control.</p>			X	Through formation in the training schools in NIAAS
<p>Review Cycle</p> <p>5. A cycle-based, risk-based, or a mixed approach for selecting firms for QA review is used.</p>		X		

Requirements	Y	N	Partially	Comments
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).			X	There is a provision that audit firms have a 3 year rotation in the system, but the remains of audited entities.
QA Review Team 7. Independence of the QA Team is assessed and documented.			X	At Private Firm's level with International representation, there is this type of control, but not by the local regulatory institution who performs randomly.
8. QA Team possesses appropriate levels of expertise.			X	Idem
Reporting 9. Documentation of evidence supporting the quality control review report is required.			X	Idem
10. A written report is issued upon conclusion of the QA review and provided to the firm/partner reviewed.			X	Idem
Corrective and Disciplinary Actions 11. Reviewed firms/partners are required to make timely adjustments to meet recommendations from the review report.			X	
12. QA review system is linked to the Investigation and Discipline system.		X		
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.		X		
Regular Review of Implementation and Effectiveness 14. Regular reviews of implementation and effectiveness of the system are performed.		X		

Action Plan Subject: DOM 2 International Training Standards and other guides of the IAESB
Action Plan Objective: Education and Implementation Standards Dissemination in CCPPE training programs

#	Start Date	Actions	Term Date	Responsibility	Resources
<p><u>Background:</u> The CCPPE is the entity that joins the Authorized Public Accountants and Bachelor Accountants in the Country. The requirements that includes to the CPA is the Degree obtained in Universities, while the CBA is obtained through the faculties Higher Institutes by the Education Law which applies to Ecuadorians and foreigners, that having attended Universities or Higher Institutes of education of foreign countries, revalidate it in Ecuador according with the established Ecuadorian regulations or by international agreements for professional practice, established in the Accountants Law. According to the legal country requirements, the CCPPE cannot impose an admission exam, except by the Law. Currently all the accounting professionals must apply a prior exam to the university incorporation and Professional Title delivery. In Ecuador there is not a professional continuous development process.</p> <p>According with the Ecuadorian Accountants Law in the Articles No 4 and 5, the functions and responsibility of the Accountant are established. Given the fact that there is not type of self-evaluation, the CCPPE will promote a Professional Certification.</p> <p>The requirements established to practice the Accountant profession in Ecuador, is enough to have obtained his professional title, as to be Auditor the requirements are established by the relevant regulator entity generally is based in experience and training. The CCPPE maintains and offer continues training programs and regulars to its members, through the different schools, workshops, courses and certifications, of which annual statistics are kept, the same ones that are published on the web page.</p> <p><u>Application 2019</u> The CCPPE has planned through the Commission for Continuing Education and Professional Improvement; incorporate the essential elements of the content and the education process and development on which the NIE/IES are based; within its educational requirements and national development for the accounting profession, or in its case persuade those responsible to incorporate the essential IES elements in those requirements; and help to the IES implementation. The training and dissemination axes intend to follow up to the International Education Standards reaches (NIE/IES) so much initial professional development, as continuous professional development.</p>					
<p><i>Increase awareness of NIEs requirements through these continuous training programs and motivate the inclusion in the University education programs, actively participating in the discussion of drafts published by IAESB.</i></p>					
1.	Feb, 2019	Analysis of DOM 2 components as framework reference to the education continuous plans.	Feb, 2019	Continuing Education and Professional Improvement. CCPPE Director Board	<ul style="list-style-type: none"> • CCPPE • Voluntaries
2.	March, 2019	Disclosure of the International Education Standards (NIE/IES) of initial professional development in the main Universities of the country, Senescyt strengthening the NIE/IES No. 1 application (Income to the training professional program).	March, 2019	Continuing Education and Professional Improvement.	<ul style="list-style-type: none"> • CCPPE • Director Board • Voluntaries • Universities • Senescyt

#	Start Date	Actions	Term Date	Responsibility	Resources
				CCPPE Director Board	
3.	April, 2019	Continuing education review program with the purpose that all the NIE/IES 7 requirements are complied, about learning and continuous development programs based on professional competence for Accountants and Auditors jointly with Senescyt	April, 2019	CCPPE Director Board	<ul style="list-style-type: none"> • CCPPE • Director Board • Voluntaries • Senescyt
4.	May, 2019	The professional development through technical skills, professional skills values and ethics and professional attitudes that comply the NIE/IES 8 requirements, on professional competence for audit partners. Certification processes are started in independent modules taking into account the sectors of greatest changes and legal requirements	May, 2019	CCPPE Director Board Education Commission	<ul style="list-style-type: none"> • CCPPE • Director Board • Voluntaries
5.	May, 2019	Maintenance and skills recognition declaration, through teaching and competences verification (Professional Certification), jointly with Senescyt.	May, 2019	Education Commission	<ul style="list-style-type: none"> • CCPPE • Director Board • Voluntaries
6.	July, 2019	Provide a questions bank to the regulators, which contains the necessary professional knowledge as a requirement to qualify as an auditor.	July, 2019	CCPPE Director Board	<ul style="list-style-type: none"> • CCPPE Platform • Regulators Meeting

Action Plan Subject: DOM 3, IAASB Standards
Action Plan Objective: Use Best Endeavors to Improve Implementation of ISAs.

#	Start Date	Actions	Term Date	Responsibility	Resources
<p><u>Background:</u> The Audit and Assurance Standards, as the Financial Information International Standards have been adopted in Ecuador by disposition of the regulatory entity the Securities and Insurance Companies Superintendence, stated in the Resolution No.3 at August 4th, 2006, for all companies that has assets higher than USD 500.000,00 or be listed as a public interest company. The Financial institutions, of insurance and popular and solidarity economy, maintain the audit and assurance standards as supplementary. To be able to exercise the External Auditor position is necessary the qualification by relevant regulator. The CCPPE through its Training and continuous improvement Commission realize a permanent effort to incorporate in the training processes the latest updates that are made to this standard. However, is necessary to make greater efforts in the Audit professional's awareness of the need to apply the regulations.</p> <p>The public interest company's auditors must be qualified by the Stock Market Intendance and must have additional international representation.</p> <p>The Superintendence in Ecuador demand the International Standards application, in its lastest version translated into Spanish, transferring the application in all its aspects to the accounting and auditing professionals.</p> <p>The CCPPE function, as National Guild, is to be the link between the Regulator Entity and the international standards issuers, so that the requirements are compiled and demands of this last.</p> <p><u>Application 2019</u> The divulgation activities have been socialized with regulatory entities, Company Superintendence, Popular and Solidarity Economy Superintendence, Internal Revenue Service, Finance Ministry. The training and disclosure axes pretend follow up the DOM scope.</p>					
IAASB Implementation Promotion					
1.	January 2019	Realize a DOM 3 analysis, reporting on related practical statements and other documents published by the IAASB during the last 3 years.	January 2019	Technical Advisory Commission	<ul style="list-style-type: none"> • Technical Commission • Education Commission
2.	Feb 2019	Create a process to increase the member's awareness CCPPE about the standards published application by the IAASB covering ISQC1, ISA, ISRE, ISAE, and ISRS. Promoting the comments in the respective discussion drafts published by the IAASB	Feb 2019	Technical Advisory Commission	<ul style="list-style-type: none"> • Technical Commission • Education Commission- CCPPE
3.	Mar 2019	Accompany and influence in the regulators responsible for the issuance and development of local regulations for a correct application and a proper incorporation of IAASB Standards and its corresponding authorization of use rights by the issuer.	Mar 2019	Director Board Technical Advisory Commission	<ul style="list-style-type: none"> • Technical Commission • Director Board

#	Start Date	Actions	Term Date	Responsibility	Resources
Maintain continuous processes					
4.	Oct 2016	Update through a CCPPE training seminar to members about the IAASB Standards. This program must have an emphasis in PYMES and in the following areas: - Fundamental statements. - Professionals ethic - Practical applications.	March 2019	Technical Advisory Commission. Education Commission.	<ul style="list-style-type: none"> • Technical Commission • Education Commission-CCPPE
5.	Oct 2016	Arming a disclosure scheme of changes in IAASB Standards. For example: mails, newsletters, magazines, etc.) And the comments issued by the CCPPE to the IAASB in the standards issued.	June 2019	Technical Advisory Commission. Education Commission.	<ul style="list-style-type: none"> • Technical Commission • Education Commission-CCPPE
6.	Feb 2019	Realize fairs with the suppliers of audit tools and CCPPE members, to provide useful tools for the proper development of audits based in risk.	Sep 2019	Technical Advisory Commission	<ul style="list-style-type: none"> • Technical Commission • Education Commission-CCPPE
Review and update the Compliance Program information of the Part I and II					
7.	Continua	Review the fulfillment of the Part I and II making the corresponding feedback and establishing continuous improvement programs. Delegate a responsible person of the new standards alignment. - Report to IFAC about the work done.	Keep going (Every year at Dec.)	Technical Advisory Commission	<ul style="list-style-type: none"> • Technical Commission • Education Commission-CCPPE

Action Plan Subject: DOM 4, and IESBA Ethic Code
Action Plan Objective: Ethic Code Update

#	Start Date	Actions	Term Date	Responsibility	Resources
<u>Background :</u>					
According with the Accountants Law, the National Directory among its attributions in the article 32 literal i is dictate the Professional Ethics Code that should be applied in Ecuador and that must be aligned with the Ethics Code by IFAC.					
The CCPPE promote in all its schools the diffusion and application by professionals of Ethics in their professional activities.					
<u>Application 2019</u>					
The Honor Court is committed to the Ethic Code dissemination and within the activities for DOM 4 compliance and as part as its Work Plan for 2019. In this way, it is intended to adopt the IFAC's Ethic Code and consider as a transversal axis of the Quality Control Plan.					
To make this process viable, it is necessary to have the Right to Use authorization by IFAC.					
Adoption of the IESBA Ethic Code					
1.	January 2019	DOM 4 analysis as a basis for the fundamental principles of Ethics professional to guide to the CCPPE members in their labors and professional practices.	January 2019	CCPPE Directors Board. Honor Court.	<ul style="list-style-type: none"> • CCPPE Directors Board. • Honor Court • Volunteers
2.	Feb 2019	Implement the work plan to obtain the authorization of the right to use the Ethic Code of the IESBA, jointly with the regulators.	April 2019	CCPPE Directors Board. Honor Court.	<ul style="list-style-type: none"> • CCPPE Directors Board • Honor Court • Volunteers
3.	Mar. 2019	Include a discussion about the Ethic Code application in the practice in training forums and seminars. Disclose and print the Ethic Code of IFAC for its later distribution and socialization of the members, with prior IFAC authorization.	Oct 2019	CCPPE Directors Board. Honor Court.	<ul style="list-style-type: none"> • CCPPE Directors Board • Honor Court • Volunteers
4.	May, 2019	Propose the IFAC ethics code incorporation within the new modification project in the College Statutes	July 2019	CCPPE Directors Board.	<ul style="list-style-type: none"> • CCPPE Directors Board • Legal adviser
Maintain continuous processes					
5.	Jan-2019	Strengthen the Auditor's Ethics, the limitations and their responsibility with the existing exceptions about the different Insurance services.	Keep going (Every year at Dec.)	CCPPE Directors Board. Honor Court.	<ul style="list-style-type: none"> • CCPPE • Directors Board • Honor Court • Volunteers
Review and update the information of the Part I and II of the Compliance Program					

#	Start Date	Actions	Term Date	Responsibility	Resources
6.	Keep going	Review the compliance of the Part I and II making the corresponding feedback. Delegate a person responsible for the alignment of the new standards. - Inform to IFAC about the Works done.	Keep going (Every year at Dec.)	CCPPE Directors Board. Honor Court.	<ul style="list-style-type: none"> • CCPPE • Directors Board • Honor Court • Volunteers

Action Plan Subject: DOM 5, and Accounting in the Public Domain
Action Plan Objective: Increase the Consciousness of Counterparts in the Government

#	Start Date	Actions	Term Date	Responsibility	Resources
<p><u>Background:</u></p> <p>The Ecuadorian State among the Finance Ministry and by agreement No. 67 on May 16th, 2016, published in the Official Registry No 755, is issued the principal and technical standards of government accounting updates that repeal the principles issued on December 29th, 2007, in ministerial agreement No. 447. The year 2019 is set as the first year to provide financial statements with the NIC SP application.</p> <p>The CCPPE functions is to promote the proper dissemination of the NIC SP among the Public Sector professionals, in coordination with the Finance Ministry.</p> <p>Has officially pronounced on the application of the IPSAS Standards in the National Public Sector accounting. We are designing seminars for training in this Standard; for the next year the CCPPE pretend realize more disclosure events and awareness in Government counterparts about the importance of implementing these Standards.</p> <p><u>Application 2019</u></p> <p>The CCPPE jointly with the Finance Ministry should establish a program that permits the Accounting Standards disclosure and awareness oriented to the public sector, make an IPSAS applicability analysis in public entities.</p>					
Start the dialogue about IPSAS					
1.	March 2019	The CCPPE jointly with the Finance Ministry, will establish public discussions about the possible benefits in the adoption and implementation of the IPSAS in Ecuador and will request the right to use IFAC Regulations.	Keep going	Finance Ministry Technical Commission.	<ul style="list-style-type: none"> • CCPPE • Technical Commission
Keep continuous processes					
2.	Keep going	The Action Plan will contemplate the design of training seminars for training to the public sector professionals, coordinated with entities such as the State General Comptroller, Finance Ministry, among others.	Keep going (Every year at Dec.)	Commission for Continuing Education and Professional Improvement. Technical Commission.	<ul style="list-style-type: none"> • CCPPE • Commission Technical
3.	Keep going	Keep contact with central government authorities, (Finance Ministry and State General Comptroller), so that the disclosure of this regulation is adequate within the regulators.	Keep going	Commission for Continuing Education and	<ul style="list-style-type: none"> • CCPPE. Technical Commission

#	Start Date	Actions	Term Date	Responsibility	Resources
				Professional Improvement. Technical Commission.	
4.	Keep going	Request the CCPPE incorporation to the Harmonization Committee, public sector entity that holds meetings to align with government policies and support in your Work Plan, to define aligned policies among the different state regulatory entities.	Keep going	Commission for Continuing Education and Professional Improvement. Technical Commission.	<ul style="list-style-type: none"> • CCPPE. Technical Commission
<i>Review and update the information of Part I and II of the Compliance Program</i>					
5.	Keep going	Review the Part I and II compliance making the corresponding feedback and establish permanent improvement programs. Delegate a person responsible for the alignment of the new standards. - Inform to the IFAC about the Works realized.	Keep going (Every year at Dec.)	Commission for Continuing Education and Professional Improvement. Technical Commission.	<ul style="list-style-type: none"> • CCPPE. Technical Commission

Action Plan Subject: DOM 6, and Research and Discipline
Action Plan Objective: Strengthen the Research and Discipline Processes

#	Start Date	Actions	Term Date	Responsibility	Resources
<p><u>Backgrounds:</u></p> <p>The Research and Discipline process will establish as competence of the Technical Committee and Honor Court of the CCPPE.</p> <p>The Honor Court will realize its labor among complaint procedures and coordination with regulators. The cases under investigation can result in sanctions that are classified as lack of professional ethics and in other faults. The judgment of mistakes of professional ethics are knowledge of the Honor Court, the other faults are elevated to the Directors Board. For all cases, the sanctioning entity is the Directors Board who will determine the sanction type either reprimand or expulsion from the guild. In Ecuador there is not a Collegiate entity or regulator that can suspend the professional license; these are channeled by the ordinary court, through the judicial dictum; the CCPPE all it can do is issued a moral sanction and restrict its renewal in the proven cases of bad professional practice.</p> <p><u>Application 2019:</u></p> <p>The CCPPE Honor Court is elaborating a process to receive complaints and accept the regulators resolutions, directed to put exclusion in the professional qualification performance.</p> <p>The technical committee will establish responsables of Work Groups for each discussion draft considering the experience in the field apply.</p>					
<i>Strengthen the Research and Discipline System (I and D)</i>					
1	January 2019	The Technical Committee, will establish a procedure for selection of members based on professional experience that will serve as the basis for creating working groups to address the different discussions drafts of the standards issuers.	Mar. 2019	Directors Board, Honor Court	<ul style="list-style-type: none"> • CCPPE • Directors Board • Honor Court
2	Jan 2019	The Honor Court will establish a procedure to receive complaints aimed at placing exclusions when the professional qualification.	April 2019	Directors Board, Honor Court	<ul style="list-style-type: none"> • CCPPE • Directors Board • Honor Court
3.	Mar 2019	The CCPPE Legislation Commission and Professional Defense will prepare the document to the comprehensive revision of the Legal Framework, and so be able to establish alternative discipline procedures and Professional Qualification. Coordinating the application of the arbitration with the Commerce Chambers in case of professional malpractice	May 2019	Professional Legislation and Defense Commission	<ul style="list-style-type: none"> • CCPPE • Professional Legislation and Defense Commission.
4.	Jun 2019	Submit the document for analysis to the Directors Board	Jul 2019	Honor Court. Professional Legislation and	<ul style="list-style-type: none"> • CCPPE • Honor Court

#	Start Date	Actions	Term Date	Responsibility	Resources
				Defense Commission.	<ul style="list-style-type: none"> Professional Legislation and Defense Commission.
5.	August 2019	Obtain comments from the Directors Board and issue a revised document.	August 2019	Honor Court. Professional Legislation and Defense Commission.	<ul style="list-style-type: none"> CCPPE Honor Court Professional Legislation and Defense Commission.
6.	Sep 2019	Submit this document to the regulators for comments	Sep 2019	Regulators	<ul style="list-style-type: none"> CCPPE IFAC
7.	Oct 2019	Publish on the CCPPE website or other means to open it to comets for collegiate.	Oct 2019	Honor Court. Professional Legislation and Defense Commission.	<ul style="list-style-type: none"> CCPPE Honor Court Professional Legislation and Defense Commission.
8.	Oct 2019	Submit this document to the Directors Board for comments	Oct 2019	Directors Board	<ul style="list-style-type: none"> CCPPE Directors Board
9.	Nov 2019	Obtain the final document from the Directors Board	Oct 2019	Directors Board	<ul style="list-style-type: none"> CCPPE Directors Board
10.	Nov 2019	Submit the draft to National Assembly and get comments	Nov 2019	Directors Board	<ul style="list-style-type: none"> CCPPE Directors Board
11	Dec 2019	Issue a final document with comments from the National Assembly.	Dec 2019	Directors Board, Honor Court	<ul style="list-style-type: none"> CCPPE Directors Board Honor Court
12.	Jan 2019	Submit to Assembly approval	Jan 2019	Directors Board	<ul style="list-style-type: none"> CCPPE Directors Board
13.	Feb 2019	Publish in the Website or other media to open in to collegiate comments	Feb 2019	Directors Board	<ul style="list-style-type: none"> CCPPE Directors Board
Maintain continuous processes					
14.	Keep Going	Ensure through annual reviews, that the R&D quality level of the system I and D is in compliance with the DOM 6 components, communicating in a timely manner to regulators.	Keep going (Every year at Dec.)	Honor Court Professional Legislation and Defense Commission	<ul style="list-style-type: none"> CCPPE Honor Court Volunteers

#	Start Date	Actions	Term Date	Responsibility	Resources
	Jan – 2020	Provide support and become an impartial mechanism for the disciplinary conflicts resolutions that are analyzed by the CCPPE Honor Court. Establish procedures jointly with the regulators included in the cooperation agreements in which disciplinary conflicts can be resolved in their professional actions.	DEC-2019 Dec. 2020)	CCPPE Directors Board. Honor Court. Regulators	<ul style="list-style-type: none"> • CCPPE • Directors Board • Honor Court • Volunteers
	Jan-2019	Reinforce the Auditor Independence, the limitations and exceptions existing on the different Assurance services.	Keep going (Every year at Dec.)	CCPPE Directors Board. Honor Court.	<ul style="list-style-type: none"> • CCPPE • Directors Board • Honor Court • Volunteers
<i>Review and update the information of Part I and II of the Compliance Program</i>					
15.	Keep going	Review the Compliance Program responses Part I and II and make modifications that are necessary to update the parts. Inform IFAC employees of the updated ones to publish the current information. <ul style="list-style-type: none"> - Appoint a responsible person to review the information in Part I and II and make modifications. - Inform to IFAC about the changes. 	Keep going (Every year at Dec.)	Honor Court	<ul style="list-style-type: none"> • CCPPE • Honor Court • Volunteers

Appendix—Main Requirements of SMO 6

Requirements	Y	N	Partially	Comments
<p>Scope of the System</p> <p>1. A system of investigation, discipline and appeals exists for the accountancy profession. The system is operational.</p>			X	The CCPPE has an Honor Court exclusively for its members
<p>2. Information about the types of misconduct which may bring about investigative actions is publicly available.</p>		X		
<p>Initiation of Proceedings</p> <p>3. Both a “complaints-based” and an “information-based” approach are adopted.</p>			X	Based on complaints made to the College
<p>4. Link with the results of QA reviews has been established.</p>		X		
<p>Investigative Process</p> <p>5. A committee or similar body exists for performing investigations.</p>			X	In the CCPPE the Honor Court
<p>6. Members of a committee are independent of the subject of the investigation and other related parties.</p>	X			
<p>Disciplinary Process</p> <p>7. A separate disciplinary committee/entity exists to make disciplinary decisions on referrals from the investigation committee.</p>		X		
<p>8. Members of the committee/entity include professional accountants as well as non-accountants.</p>			X	Only counters
<p>9. The tribunal exhibits independence of the subject of the investigation and other related parties.</p>	X			

Requirements	Y	N	Partially	Comments
<p>Sanctions</p> <p>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.</p>			X	Exclusion of the guild, without this meaning that you cannot exercise your professional activity.
<p>Rights of Representation and Appeal</p> <p>11. A third appeals body exists which is separate from both the disciplinary committee and investigative committee.</p>	X			The Board and the Assembly as the highest organism.
<p>Administrative Processes</p> <p>12. Timeframe targets for disposal of all cases are set.</p>		X		
<p>13. Tracking mechanisms to monitor progress in investigation and discipline and related procedures are established.</p>			X	
<p>14. Records of investigations and disciplinary processes are established.</p>			X	
<p>Public Interest Considerations</p> <p>15. Activities are supported to ensure that the public is aware that an investigative and disciplinary system exists in the jurisdiction.</p>			X	No all professionals are unionized
<p>16. A process for the independent review of complaints on which there was no follow-up is established.</p>		X		
<p>17. The results of the investigative and disciplinary proceedings are made available to the public.</p>		X		
<p>Liaison with Outside Bodies</p>		X		

Requirements	Y	N	Partially	Comments
18. There is an appropriate process for liaison with outside bodies on possible involvement in serious crimes and offences.				
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: DOM 7, and NIIF
Action Plan Objective: Improve NIIF implementation

#	Start Date	Actions	End Date	Responsibility	Resources
<p><u>Background:</u></p> <p>The NIIF implementation process in Ecuador started in 2010; through the Superintendence of Companies Values and Insurance to its regulators, except insurance that ends from 2017 to be incorporated, because they were previously regulated by the Banks Superintendence and this process was initiated by the companies listed on the stock exchange and the financial sector, and subsequently by small and medium sized enterprises PYMES = SMEs. The SEPS does not apply NIIF, the effort should be aimed at the Cooperative Financial sector applying this standard. The Banks Superintendence does not apply IFRS, but as a supplementary framework. The role played and continues to lead national CCPPE has been very determinant in the dissemination, analysis and standards application. It has trained some 3.000 professionals in these last 4 years. The government control agencies rely on the CCPPE to spread, promote and socialize the different provisions and legal regulations that come into force by law. Our permanent commitment with the professionals of the country is to update their knowledge with the latest resolutions and provide professional development according to the requirements that the accounting profession requires, to present quality financial information. The standard implementation process at national level is gradually cementing and all the support has been given to the obligatory nature of its application through the IFRS concepts application within the Tax Framework and also to the composition of the business sector in the case of IFRS (full) since there are very few companies that are listed on open markets or that need to publish financial statements, but by legal provisions which exceeding minimum assets, sales or personnel must apply. With respect to the IFRS for SMEs, and given the conditions of the business park in the country, efforts have been made to approach stakeholders in the SME sector to the governing entity and banking sector to initiate an awareness process of the need to improve the financial information quality. Discussion Forums have been opened within the College to agree criteria and power from there to develop a strategy both to create more appropriate training mechanisms and to open permanent channels with the economic sector to allow a better IFRS PYMES implementation.</p> <p><u>Application 2019:</u></p> <p>The CCPPE has the responsibility dissemination and training to achieve national implementation as appropriate of NIIF, NIIF PYMES and raising awareness that this issue is no longer a business issue and it becomes a country theme. The bases are considered to carry out the project in three main axes (Training, Linking and Disclosure), and two transversal axes (Ethics and Quality Control). The activities that define them, they were raised such a way that comply with the institution objectives as well as what is established in each one of the 7 DOM.</p>					
Intermediate Stages for the IFRS Implementation					
1.	Jan 2019	Establish a Work Technical Group that support the IFAC initiatives in comply with the DOM 7 of the NIIF	Dec. 2019	Director board, Standards Committee	<ul style="list-style-type: none"> • CCPPE • Director Board
2.	Jan. 2019	Establish a mechanism to disseminate the IASB proposals, so that the members can make the respective comments to said drafts.	Keep going	CCPPE Continuing Education and Professional Improvement	<ul style="list-style-type: none"> • CCPPE • Education Commission
3.	Jan. 2019	Collect the comments issued by the members and that be evaluated by the technical commission to define	Keep going	CCPPE	<ul style="list-style-type: none"> • CCPPE • Technical Commission

#	Start Date	Actions	End Date	Responsibility	Resources
		relevant aspects and prepare a report for the Director Board.		Technical Research Commission	
4.	Jan. 2019	Exchange criteria of the Technical Report with the different regulators for determine the applicability of the same.	Keep going	CCPPE Technical Research Commission. Director Board	<ul style="list-style-type: none"> • CCPPE • Technical Commission • Director Board
5.	Jan. 2019	Create a system for disclosure of changes in IASB standards to ensure that members are informed of the changes.	Keep going	Continuing Education and Professional Improvement.	<ul style="list-style-type: none"> • CCPPE • Education Commission
Maintain continuous processes					
6.	Keep going	Continue efforts to ensure coverage of training and disclosure of IFRS information and NIIF for PYMES, by distributing the books that contain the Standards.	Keep going (Every year in Dec.)	Technical Commission. Continuing Education and Professional Improvement.	<ul style="list-style-type: none"> • CCPPE • Education Commission • Technical Commission
7.	Keep going	Monitoring changes to IASB standards and that the changes are reflected in the training programs offered by the Collage.	Keep going (Every year in Dec.)	Technical Commission. Continuing Education and Professional Improvement.	<ul style="list-style-type: none"> • CCPPE • Education Commission • Technical Commission
8.	Keep going	Use best efforts to identify opportunities to support the implementation of full IFRS and IFRS for PYMES. The same includes a review of existing activities and update the action plan for future activities worked in conjunction with the regulators.	Keep going (Every year in Dec.)	Technical Commission. Continuing Education and Professional Improvement.	<ul style="list-style-type: none"> • CCPPE • Education Commission • Technical Commission
Review and update the information of Part I and II of the Compliance Program					

#	Start Date	Actions	End Date	Responsibility	Resources
9.	Keep going	Review the responses of the Compliance Program Part I and II and make modifications and make modifications that are necessary to update them. Report the progress of the processes to IFAC on International Regulations incorporation. - Appoint a responsible person to review the information in Part I and II and make modifications. - Publish IFRS Practice Application Guides	Keep going (Every year in Dec.)	Technical Commission. Continuing Education and Professional Improvement.	<ul style="list-style-type: none"> • CCPPE • Education Commission • Technical Commission • Web platform



**COLEGIO DE CONTADORES PÚBLICOS
DE PICHINCHA Y DEL ECUADOR™**

MIEMBRO DE LA ASOCIACIÓN INTERAMERICANA DE CONTABILIDAD (AIC)

CERTIFICACIÓN DE SISTEMA DE GESTIÓN DE CALIDAD ISO 9001



October 16, 2019

Joseph Bryson
Director, Quality & Development
International Federation of Accountants

Dear Mr. Bryson,

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

This letter is to confirm that the leadership of the COLEGIO DE CONTADORES PÚBLICOS DE PICHINCHA Y DEL ECUADOR has reviewed the information contained in the SMO Action Plan prepared to COLEGIO DE CONTADORES PÚBLICOS DE PICHINCHA Y DEL ECUADOR as part of the IFAC Member Compliance Program and will provide institutional support for its implementation.

On behalf of the leadership of the COLEGIO DE CONTADORES PÚBLICOS DE PICHINCHA Y DEL ECUADOR, 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,



Dr. ANTONIO TRUJILLO C.

COLEGIO DE CONTADORES PUBLICOS DE PICHINCHA Y DEL ECUADOR

Quito 16 de October de 2019