

## **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 Chartered Accountants of Sierra Leone
<b>Approved by Governing Body:</b>	Mr. Buffy Bailor FCCA FCA (SL) – President of ICASL on behalf of Council of the Institute
<b>Last Updated:</b>	December 2019
<b>Next Update:</b>	December 2022

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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 affect 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>ABWA</b>	Association of Accountancy Bodies in West Africa
<b>ACCA</b>	the Association of Chartered Certified Accountants
<b>AGD</b>	Accountant General's Department
<b>ASSL</b>	Audit Service of Sierra Leone
<b>CPD</b>	Continuing Professional Development
<b>CSAAG</b>	Council for Standards of Accounting, Auditing, Corporate & Institutional Governance (an operating Unit of SLAF)
<b>EGM</b>	Extra-ordinary General Meeting of the members of ICASL
<b>GOSL</b>	Government of Sierra Leone
<b>I&amp;D</b>	Investigation & Discipline
<b>IASB</b>	International Accounting Standards Board
<b>ICAEW</b>	Institute of Chartered Accountants in England and Wales
<b>ICAN</b>	Institute of Chartered Accountants of Nigeria
<b>ICASL</b>	Institute of Chartered Accountants of Sierra Leone
<b>IDF</b>	Institutional Development Fund (administered by the World Bank)
<b>I &amp; D</b>	Investigation and Discipline
<b>IESBA</b>	International Ethics Standards Board for Accountants
<b>IES</b>	International Education Standards
<b>IEPS</b>	International Education Practice Statements
<b>IFAC</b>	International Federation of Accountants
<b>IFRS</b>	International Financial Reporting Standard
<b>IPSAS</b>	International Public Sector Accounting Standard
<b>ISA</b>	International Standards on Auditing
<b>NSS</b>	National Standard Setters
<b>QA</b>	Quality Assurance
<b>SLAF</b>	Sierra Leone Accountability Foundation (A company limited by Guarantee and parent body of CSAAG)
<b>SMP</b>	Small & Medium Sized Practices (Committee of IFAC)
<b>SMO</b>	Statements of Membership Obligations

**General**

#	Start Date	Actions	Completion Date	Responsibility	Resource & remarks
1.	July 2017	Presented a revised draft Bill to ICASL members at the Annual General Meeting for review/comments.	Completed	ICASL	Draft was well received, members presented their comments and delegated updating to Council of ICASL
2.	August 2018	Revised Draft Bill updated with all comments from members and IFAC, submitted to the Minister of Finance for onward presentation to Parliament.	In Progress - March 2020	ICASL	A cabinet paper has been prepared and the draft Bill will now take the trajectory path to enactment by Parliament
3.	August 2018	Memorandum drawn between ICASL and Ministry of Finance to promote cooperation, coordination and communication around the Government Financial Policies	Completed Nov 2018	ICASL	MoU is now in place to promote cooperation and coordination around Government Financial Policies
4.	February 2018	Introduction of Revision Classes for ACCA students	Discontinued	ICASL	Qualified and Professional Accountants provide revision classes to students Only one session of training was conducted as the turnout from the students was poor
5.	April 2018	Obtained License from ACCA to conduct Computer Based Examinations for ACCA.	Completed	ICASL	Computer center is ready for examination
6.	May 2019	ICASL went through World Bank's Assessment on the Observance of Standards & Codes	Completed	ICASL	ICASL awaits World Bank's report on the outcome of the assessment
7.	October 2019	ICASL is in talks with the Institute of Public Administration and Management (IPAM) which is part of the University of Sierra Leone, to deliver the Accounting Technician Scheme (ATSWA)	In Progress	ICASL	This partnership should result in the signing of an MoU between ICASL and IPAM and students been admitted to IPAM to gain tuition on the Accounting Technician Scheme

**Action Plan Subject:** SMO 1 - Quality Assurance  
**Action Plan Objective:** Establish and Maintain a Quality Assurance System

#	Start Date	Actions	Completion Date	Responsibility	Resource
<i>Background:</i>					
<p>Sections 9 of ICASL Act authorizes the Institute of Chartered Accountants of Sierra Leone (ICASL) to establish mechanisms to ensure that its members maintain proper application of the standards. This is interpreted to mean that ICASL has direct responsibility for establishing a quality assurance (QA) review mechanism. ICASL has adopted ISQC 1 as the quality control standard and had previously planned to delegate the operations of the QA review system aligned with SMO 1 best practices to the Sierra Leone Accountability Foundation (SLAF). The SLAF, however, is not operational as of 2019 although there are plans to meet in March 2019 to reconstitute the foundation.</p> <p>In February 2019, ICASL made a formal agreement with a QA reviewer from Zambia to review files of six audit firms. The reviews will take place between September and December 2019; firms that do not participate will not have their practicing licenses renewed. It is expected that the review procedures would meet the SMO 1 best practices.</p> <p>ICASL indicates that the reviewer will offer training after the reviews and outline steps for improvement if there are deficiencies and any non-compliance with standards identified.</p>					
<b><i>Establishing a Quality Assurance Review System</i></b>					
8.	May 2018	Develop and adopt QA manual. A draft QA manual has been developed.	December 2018	ICASL	
9.	May 2018	Agree standard structure of Monitoring Team—in April 2018, the Forum of Firms convened and agreed to bring in an external, independent consultant to conduct QA reviews and issue recommendations.	Completed March 2019	ICASL	
10.	May 2018	Develop Self-Assessment Returns by Firms. Annual returns are submitted by firms to ICASL	On-going since Nov 2018	ICASL	Individual Practitioners and Firms have started their Annual returns to ICASL
11.	February 2019	Establish date for live operation of QA system. Mandatory QA reviews are expected to begin by the end of 2019 and will be on a cyclical basis.	December 2019	ICASL	The review will be conducted in the first two weeks in December and trainings on gaps identified will be included. The QA review system will be aligned with SMO1

#	Start Date	Actions	Completion Date	Responsibility	Resource
12.	September 2019	Perform QA reviews of 6 firms and evaluate live Monitoring & Self-Assessment.	December 2019	ICASL	We will be using consultant from the Zambia Institute of Chartered Accountants
13.	December 2019	Submit new ICASL Act to enable long term sustainability of funding for QA system and revisions of the structure of the Institute and its Council. Amendment of draft ICASL Act to provide powers to the Director of the Secretariat for the systematic application and enforcement of the findings and recommendations of the QA review system. Draft Act is with the parliament and awaiting review and approval in 2019	In progress (completion date subject to change based on Parliament)	ICASL	
<b>Maintaining Ongoing Processes</b>					
14.	May 2018	Forum of Firms convenes regularly and through this venue, updates and communications related to QA and quality control standards are issued	Ongoing	ICASL	
<b>Review of ICASL's Compliance Information</b>					
15.	December 2019	Perform periodic review of ICASL response to SMO 1 Section and update the response as necessary.	Ongoing	ICASL	ICASL would complete its first quality review in December 2019

**Main Requirements of SMO 1**

Requirements	Yes	No	Partially	Comments
<p><b>Scope of the system</b></p> <p>1. At a minimum, mandatory QA reviews are required for all audits of financial statements.</p>			P	In February 2019, ICASL made a formal agreement with a QA reviewer from Zambia to review files of six audit firms. The reviews will take place between September and December 2019.

Requirements	Yes	No	Partially	Comments
<p><b>Quality Control Standards and Other Quality Control Guidance</b></p> <p>2. Firms are required to implement a system of quality control in accordance with the quality control standards.</p>	Yes			QA will reveal this; Also a questionnaire issued out to practitioners, requires this of them and to highlight this in their returns
<p>3. Most up to date versions of ISQC 1 and other relevant ISA are adopted as the quality control standards.</p>	Yes			ISQC 1 is adopted
<p>4. Member Body assists firms in understanding the objectives of quality control and in implementing and maintaining appropriate systems of quality control.</p>	Yes			This will be done when the QA would have finished the review
<p><b>Review cycle</b></p> <p>5. A cycle-based, risk-based, or a mixed approach for selecting firms for QA review is used.</p>	Yes			A mixed approach would be used, the reviewer would review work from all eighteen licensed practitioners
<p>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).</p>	Yes			We plan to do one every two years
<p><b>QA Review Team</b></p> <p>7. Independence of the QA Team is assessed and documented.</p>	Yes			Yes, an external international consultant is being used
<p>8. QA Team possesses appropriate levels of expertise.</p>	Yes			The reviewer has the competence to carry out the QA review
<b>Reporting</b>				

Requirements	Yes	No	Partially	Comments
9. Documentation of evidence supporting the quality control review report is required.	Yes			
10. A written report is issued upon conclusion of the QA review and provided to the firm/partner reviewed.	Yes			
<b>Corrective and disciplinary actions</b>	Yes			
11. Reviewed firms/partners are required to make timely adjustments to meet recommendations from the review report.				
12. QA review system is linked to the Investigation and Discipline system.			P	However, there will be penalties(suspension of license and at the worst case, revocation of license) for failure to comply with the recommendation/s of the reviewer
<b>Consideration of Public Oversight</b>				N/A
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.				
<b>Regular review of implementation and effectiveness</b>	Yes			
14. Regular reviews of implementation and effectiveness of the system are performed.				

**Action Plan Subject:** SMO 2 - International Education Standards for Professional Accountants and Other Pronouncements Issued by the IAESB  
**Action Plan Objective:** To further strengthen the pre-qualification and continuous professional accountancy education system in accordance with IESs and IEPSs

#	Start Date	Actions	Completion Date	Responsibility	Resource
<p><b>Background:</b></p> <p>The ICASL Act of 1988 empowers the institute to establish initial and continuing professional development requirements (IPD and CPD, respectively) for professional accountants and issue practicing certificates and register auditors. Only auditors who receive a practicing certificate and registered with ICASL may conduct audits.</p> <p>In order to use the designation of Chartered Accountant, (ACA(SL)) as conferred by ICASL, candidates must complete a program of professional accountancy education, have three years of practical experience and receive a recommendation from the partner or firm where they completed their practical experience, and pass final examinations. According to a joint agreement with the ICASL, the Association of Chartered Certified Accountants (ACCA) is responsible for the delivery of the accountancy education program and administering the final examinations as the ICASL is developing its own qualification which would incorporate the IES requirements. As reported by the ACCA, its IPD programming aligns with the 2015 revised IES. ICASL adopted International Education Standards (IES) 4 to 8 and IEPS (International Education Practice Statements) 1 to 3 in 2014.</p> <p>ICASL requires its members to adhere to CPD requirements which are 40 CPD credits per year and aligns with the IES. In 2018, the institute offered three trainings and in 2019, it has four planned with the most recent being in January 2019 on IFRS. ICASL members must submit compliance with CPD to ACCA, which handles any issues of non-compliance.</p> <p>Additionally, ICASL has begun offering the ATSWA Technician examination which can lead to the Institute of Chartered Accountants of Nigeria (ICAN). The ATSWA examination is designed to be more localized and enable regional mobility for those who hold the ATSWA certification. Within the ATSWA examination there is a provision for adding in questions that relate particular to the business and tax laws of the Sierra Leone context but ICASL is still considering how to do this and writing its own papers.</p>					
<p><b>General Issues</b></p>					
16.	August 2018	<p>The new ICASL Act to provide powers to the Director of the Secretariat for the systematic application of IESs and IEPSs.</p> <p>The Act would provide greater authority to the Director, thus providing a balance to the powers of the Council and reducing the scope for conflicts of interest within</p>	In progress (completion date subject to change based on Parliament)	ICASL/MoF	

#	Start Date	Actions	Completion Date	Responsibility	Resource
		Council to adversely impact the operations of the Institute.			
17.	August 2018	Amendment of the ICASL Act to provide for exclusive control by ICASL over the use of the term "Accountant" in order to permit the development of the professional accountancy education system in accordance with IESs and IEPs.	In progress (completion date subject to change based on Parliament)	ICASL/MoF	
18.	October 2019	ICASL is in talks with the Institute of Public Administration and Management (IPAM) which is part of the University of Sierra Leone, to deliver the Accounting Technician Scheme (ATSWA)	In Progress	ICASL	This partnership should result in the signing of an MoU between ICASL and IPAM and students been admitted to IPAM to gain tuition on the Accounting Technician Scheme
<b>Assessment of Knowledge of Local Specificities</b>					
19.	August 2018	Presently, the ICASL does not have the resources to hold its own examination on Sierra Leone's business and legal requirements to ensure that candidates who hold the diploma from ACCA or foreign institutes have knowledge of these areas. The ATSWA is intended to help mitigate this as it is more tailored to the regional context although the ICASL has a long-term objective to hold examinations that emphasize competencies over theory.	In progress	ICASL	
<b>Enforcement of CPD Requirements</b>					
20.	Ongoing	4 CPD courses are offered per year <ul style="list-style-type: none"> <li>• February 2019: IFRS 9</li> <li>• June 2019 : IFRS 15 &amp; 16</li> <li>• July 2019 : Ethics, incl NOCLAR</li> <li>• November 2019: Fraud Prevention &amp; Detection</li> </ul>	Ongoing		

<b>#</b>	<b>Start Date</b>	<b>Actions</b>	<b>Completion Date</b>	<b>Responsibility</b>	<b>Resource</b>
21.	2018	Adoption of a monitoring and enforcement mechanism. Members presently submit CPD returns to ACCA, ICASL does not have a requirement for members to submit CPD returns	No timeline established yet	ICASL	ICASL would reach out to ACCA to establish an arrangement wherein ACCA would provide information on any non-compliance of its members
<b><i>Review of ICASL's Compliance Information</i></b>					
22.	January 2014	Perform periodic review of ICASL response to SMO 2 and update the response as necessary.	Ongoing	ICASL	Secretariat/SLAF

**Action Plan Subject:** SMO 3 - International Standards and Other Pronouncements Issued by the IAASB  
**Action Plan Objective:** Establishing an Ongoing Convergence Process with IAASB Pronouncements

#	Start Date	Actions	Completion Date	Responsibility	Resource
<b>Background</b>					
<p>In 2014, <a href="#">amendments</a> to the Companies Act stipulate that small companies are not required to have their financial statements audited. All other companies must have their annual financial statements audited.</p> <p>While the Companies Act also contains extensive provisions on auditors' obligations and their appointment, it does not specify which auditing standards are to be applied for audits. <i>De facto</i>, the ICASL is the body responsible for setting auditing standards and as auditors must be a member of the institute to practice publicly, they must follow the institute's regulations.</p> <p>ICASL states that ISA as issued by the IAASB are to be applied and communicates all updates to its members when issued by the IAASB.</p> <p>ICASL reports that under the latest draft ICASL Act it has submitted to the Parliament it has proposed that the institute be legally authorized to set auditing standards and ISA should be applied. The new legislation is still pending review and approval by Parliament as of 2019.</p>					
<b>Adoption of ISAs</b>					
23.	May 2014	<p>Deliver set-up and recurring training programs for firms, ASSL and the general membership covering ISAs.</p> <p>The institute does offer continuing professional development (CPD) courses on the standards although its members primarily receive internal trainings from the firms</p>	Ongoing	ICASL	
<b>Monitoring IAASB Pronouncements</b>					
24.	March 2017	<p>Establish a system for monitoring new and amended IAASB pronouncements.</p> <p>When the Director of ICASL receives updates and pronouncements from the IAASB, these are then circulated to ICASL membership</p>	Ongoing	ICASL	

<b>#</b>	<b>Start Date</b>	<b>Actions</b>	<b>Completion Date</b>	<b>Responsibility</b>	<b>Resource</b>
25.	May 2019	ICASL participated and submitted comments on IAASB Proposed Quality Management Standards	July 2019	ICASL	
26.	May 2019	Participation in IAASB activities and conferences such as responding to exposure draft or participating in international trainings.	Ongoing	ICASL	ICASL participate by sending responses to surveys and questionnaires. Unfortunately, ICASL has not been able to attend any of the recent TSSFs due to lack of funds
<b><i>Maintaining Ongoing Processes</i></b>					
27.	May 2018	ICASL is signing MoUs with local television stations to have an 'accountancy hour' once a month in order to raise awareness and share knowledge on the profession and standards	Ongoing	ICASL	
<b><i>Review of ICASL's Compliance Information</i></b>					
28.					

**Action Plan Subject:** SMO 4- IESBA Code of Ethics for Professional Accountants  
**Action Plan Objective:** Adopt and implement the International Ethics Standards Board of Accountants Code of Ethics

#	Start Date	Actions	Completion Date	Responsibility	Resource
<b>Background</b>					
<p>In accordance with the ICASL Act, the ICASL is responsible for setting ethical requirements. The ICASL has issued its own Code of Ethics which is generally based on the IESBA Code of Ethics. For 2019, the ICASL has reported plans to present a new Code of Ethics—based on a more recent version of the IESBA Code of Ethics—to its Council for review.</p> <p>The institute is working with a consultant to roll out trainings on the new Code of Ethics.</p>					
<b>Monitoring and Enforcement of Ethics Codes</b>					
29.	May 2018	Adoption of a Code of Ethics that is based on the IESBA Code of Ethics, including the recent addition of NOCLAR	In progress	ICASL	
30.	May 2018	Deliver set-up and recurring training programs for firms, ASSL and the general membership covering the IESBA Code of Ethics.	2019	ICASL	
31.	May 2018	Review of SMO 6 requirements as a basis for developing the framework for monitoring and enforcement of the IESBA Ethics Code.	2019	ICASL	
32.	May 2018	Implementation and development of a monitoring and enforcement mechanism under the responsibility of the Director of the secretariat.	2019	ICASL	M&E and assessment has also been built into the Audit Quality Review Scheme
33.	July 2019	<ul style="list-style-type: none"> <li>• ICASL offered CPD training on Ethics, including NOCLAR</li> </ul>	Completed	ICASL	
<b>Maintaining Ongoing Processes</b>					
34.	May 2018	ICASL is signing MoUs with local television stations to have an 'accountancy hour' once a month in order to	Ongoing	ICASL	

<b>#</b>	<b>Start Date</b>	<b>Actions</b>	<b>Completion Date</b>	<b>Responsibility</b>	<b>Resource</b>
		raise awareness and share knowledge on the profession and standards			
<b><i>Review of ICASL's Compliance Information</i></b>					
35.	Ongoing	Review of ICASL response to SMO 4 and update the response as necessary.	Ongoing	ICASL	Secretariat/SLAF

**Action Plan Subject:** SMO 5 - International Public Sector Accounting Standards and Other Pronouncements Issued by the IPSASB  
**Action Plan Objective:** Promote the adoption of IPSAS

#	Start Date	Actions	Completion Date	Responsibility	Resource
<b>Background</b>					
<p>In accordance with the <a href="#">Public Financial Management Act 2016</a>, financial statements are to be prepared in accordance with such internationally accepted accounting standards as specified by the Accountant General in consultation with the Institute of Chartered Accountants of Sierra Leone. Further, the Act specifically states that the statements of the Consolidated Fund, which in is composed in essence of all government revenues, are to be prepared in accordance with IPSAS.</p> <p>ICASL states that cash-basis IPSAS have been adopted and that the institute is proposing a framework for the transition to accrual-IPSAS. There are challenges with the transition process such as dealing with fixed assets and evaluating natural assets and resources. There is also a lack of infrastructure capacity such as an IFMIS system.</p> <p>There is close collaboration between the institute and the Auditor and Accountant General offices and agency staff attend continuing professional development (CPD) offered by ICASL. ICASL also notes that the Ministry of Finance is offering training on IPSAS as well and the institute has been <a href="#">engaged</a> with the President's office to support public sector performance and enhanced public financial management. Furthermore, the institute was also invited by the African Union to partake in regional meetings regarding IPSAS as part of a five-year work plan to adopt accrual-IPSAS across the continent.</p>					
<b>Monitoring and Adoption of IPSASB Pronouncements and Standards</b>					
36.	October 2019	<p>Development of a timetable and framework for adoption of IPSASB Accounting standards including a transition to accruals based accounting.</p> <p>The Accountant General has been undertaking significant amount of work in this area to progress with a roadmap</p> <p>The AG's office also holds workshops on IPSAS</p>	Ongoing	ICASL	
37.	October 2019	ICASL participated alongside the Accountant General at the Africa Union Public Financial Management Forum on Strengthening Public Sector Accounting in Africa.	Ongoing	ICASL	
<b>Maintaining Ongoing Processes</b>					

<b>#</b>	<b>Start Date</b>	<b>Actions</b>	<b>Completion Date</b>	<b>Responsibility</b>	<b>Resource</b>
38.	May 2018	ICASL is signing MoUs with local television stations to have an 'accountancy hour' once a month in order to raise awareness and share knowledge on the profession and standards	Ongoing	ICASL	
<b><i>Review of ICASL's Compliance Information</i></b>					
39.	January 2020	Review of ICASL response to SMO 5 and update the response as necessary.	Ongoing	ICASL	Secretariat

**Action Plan Subject:** SMO 6 - Investigation and Discipline  
**Action Plan Objective:** To establish and sustain a credible system of compliance with SMO 6

#	Start Date	Actions	Completion Date	Responsibility	Resource
<p><b>Background:</b></p> <p>The Institute of Chartered Accountants of Sierra Leone (ICASL) is authorized to investigate and discipline its members. Presently, not all professional accountants must join ICASL and be subject to its I&amp;D procedures; only auditors.</p> <p>ICASL's I&amp;D procedures are outlined as follows: when an official complaint is brought to the Director or President it will be submitted to Council. ICASL's Council reviews the complaint and forwards it to the investigation committee. The investigation committee will then determine whether it should proceed to a disciplinary hearing or not. The disciplinary committee may then hear the case and may issue certain sanctions. An appeals mechanism is available within the institute. In 2018, the institute handled two cases.</p> <p>The ICASL reports that its system falls short of SMO 6 components such as non-accountants serving on the disciplinary committee; liaison with outside bodies; having definitions of misconduct; and certain administrative processes such as independent review of complaints. It has been planning to revise its I&amp;D system to bring it fully in line with the structural and procedural requirements of SMO 6 and has proposed to do this through submitting a new ICASL Act to the Parliament for review and approval in 2018. The new Act would require all professional accountants to be members of ICASL. The institute recently met with the President of Sierra Leone in January 2019 to advocate for the passage of the new legislation.</p> <p>It was recommended that ICASL should bring the I&amp;D ( Investigation and Discipline) process further in line with the requirements of SMO 6, including:</p> <ul style="list-style-type: none"> <li>• Requirement relating to the definition of misconduct (see SMO 6.4);</li> <li>• Requirement relating to liaison with outside bodies (see SMO 6.10);</li> <li>• Requirement relating to the independent review of complaints (see SMO 6.18);</li> <li>• Requirement relating to the impossibility for an individual to serve on both the investigation committee and the disciplinary committee, or in relation to the same case (see SMO 6.19);</li> <li>• Requirement for the disciplinary committee to exhibit its independence (see SMO 6.22);</li> <li>• Requirement relating to the right of representation and appeal (see SMO 6.23);</li> <li>• Requirement relating to administrative processes (see SMO 6.25 to SMO 6.35).</li> </ul>					
<p><b>Establishment of an Investigation and Discipline Mechanism</b></p>					
40.	August 2018	Development of a framework for compliance with the structural and procedural requirements of SMO 6.	In progress	ICASL	Disciplinary processes have been built into the draft new ICASL Act

#	Start Date	Actions	Completion Date	Responsibility	Resource
41.	August 2018	Proposal for a compliance mechanism with the Director of the Secretariat being responsible for oversight of monitoring and enforcement subject to institutional structures allowing for the independence required by SMO 6.	In progress	ICASL	
42.	August 2018	Approval of a framework for compliance with the structural and procedural requirements of SMO 6. ICASL is considering having professional accountants that are also lawyers serve on the committees as a first step in addressing the gap of non-accountants participating in the I&D procedures pending approval of new ICASL Act	In progress	ICASL	Secretariat/Council
43.	August 2018	Implementation of the revised I&D mechanism. ICASL's I&D mechanism will continue operating while awaiting the passage of the ICASL Act	Pending legislative approval	ICASL	
<b>Maintaining Ongoing Processes</b>					
44.	May 2018	ICASL is signing MoUs with local television stations to have an 'accountancy hour' once a month in order to raise awareness and share knowledge on the profession and standards	Ongoing	ICASL/SLAF	
<b>Review of ICASL's Compliance Information</b>					
45.	August 2018	Review of ICASL response to SMO 6 Section and update the response as necessary.	Ongoing	ICASL	Secretariat,

**Main Requirements of SMO 6**

Requirements	Yes	No	Partially	Comments
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<p><b>Scope of the system</b></p> <p>1. A system of investigation, discipline and appeals exists for the accountancy profession. The system is operational.</p>	Yes			The system is not fully functional, whilst the 1988 Act and bye laws provide for I & D, the sanctions and penalties are outdated and not restrictive. The new Act provides for sanctions and penalties that would better serve as deterrent
<p>2. Information about the types of misconduct which may bring about investigative actions is publicly available.</p>			Yes	The information will be included in the ACT which is a public document and the ACT will be uploaded in ICASL's website
<p><b>Initiation of Proceedings</b></p> <p>3. Both a "complaints-based" and an "information-based" approach are adopted.</p>	Yes			There is provision for both "complaints-based" and an "information-based" approach in the new Act
<p>4. Link with the results of QA reviews has been established.</p>	Yes			Refusal to take corrective action recommended from the QA process would attract penalties (including loss of renewal of license)
<p><b>Investigative process</b></p> <p>5. A committee or similar body exists for performing investigations.</p>	Yes			This is provided for in the new ICASL Act
<p>6. Members of a committee are independent of the subject of the investigation and other related parties.</p>	Yes			Same as above
<p><b>Disciplinary process</b></p> <p>7. A separate disciplinary committee/entity exists to make disciplinary decisions on referrals from the investigation committee.</p>		NO		ICASL has only one body (Disciplinary) which performs the role of investigation and enforcement of discipline. However, a right to appeal decision of the Disciplinary committee is provided for in the ACT
<p>8. Members of the committee/entity include professional accountants as well as non-accountants.</p>	Yes			This is provided for in the ACT

9. The tribunal exhibits independence of the subject of the investigation and other related parties.	Yes			Same as above
<b>Sanctions</b> 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.	Yes			All the sanctions listed below are inclusive in the ACT: a) loss of professional designation; (b) restriction and removal of practicing rights; and (c) exclusion from membership.
<b>Rights of representation and appeal</b> 11. A third appeals body exists which is separate from both the disciplinary committee and investigative committee.	Yes			The appeal process is two prong, first appeal is to Council and if the party still feels aggrieved after Council's intervention, the party is free to process to the High Court of Sierra Leone
<b>Administrative Processes</b> 12. Timeframe targets for disposal of all cases are set.			Yes	Timelines are included in the Act for some of the processes but not for the complete process
13. Tracking mechanisms to monitor progress in investigation and discipline and related procedures are established.		No		This is not yet in place
14. Records of investigations and disciplinary processes are established.	Yes			
<b>Public Interest Considerations</b> 15. Activities are supported to ensure that the public is aware that an investigative and disciplinary system exists in the jurisdiction.		No		This is not yet in place

16. A process for the independent review of complaints on which there was no follow-up is established.		No		This is not yet in place
17. The results of the investigative and disciplinary proceedings are made available to the public.	Yes			There is provision for naming and shaming in the Act
<b>Liaison with Outside Bodies</b> 18. There is an appropriate process for liaison with outside bodies on possible involvement in serious crimes and offences.			Yes	Chartered Accountants (mainly auditors) are required to file in suspicious transactions activity reports to the Financial Intelligence Unit
<b>Regular review of implementation and effectiveness</b> 19. Regular review of implementation and effectiveness of the system are performed and corrective actions are implemented.			Yes	Monitoring and evaluation of the process will be captured in the Bye Laws

**Action Plan Subject:** SMO 7 - International Financial Reporting Standards and Other Pronouncements Issued by the IASB  
**Action Plan Objective:** Ensure using the best endeavors to promote ongoing convergence and Implementation of IFRS

#	Start Date	Actions	Completion Date	Responsibility	Resource
<b>Background:</b>					
<p>The <a href="#">Companies Act of 2009</a> requires the application of IFRS as adopted by the Institute of Chartered Accountants of Sierra Leone (ICASL). The ICASL has delegated this responsibility to the Council for Standards of Accounting, Auditing, Corporate and Institutional Governance (CSAAG), which operates under the aegis of the Sierra Leone Accountability Foundation (SLAF). The SLAF—which was established in 2009—is a multi-stakeholder, independent standard-setting and monitoring body for the accounting and auditing profession.</p> <p>The CSAAG has adopted the full IFRS for listed companies, banks and non-bank financial institutions, and insurance companies. The CSAAG also adopted IFRS for SMEs under CSAAG BPR2/2009, Board Paper Resolution 29, December 2009. All entities that are not required to use full IFRS or the (national) public benefit entity standard (Composite Financial Reporting Standard for Public and Private Not For Profit Entities, CS1) are permitted to use the IFRS for SMEs.</p> <p>As the CSAAG sets standards under authority delegated by bodies created by statute, the CSAAG standards are authoritative without specific adoption into law or regulation. As new and revised IFRS are issued, the standards become effective in the country.</p>					
<b>Establish and Sustain a Credible System for Monitoring Compliance with IFRSs</b>					
46.	May 2018	Design and implement the structures leading to the establishment of a technical unit for monitoring implementation of IFRS.	Timeline TBD	ICASL	The SLAF is not operational as of 2019 although there are plans to reestablish its functions. This body will be reconstituted in 2020
<b>Maintaining Ongoing Processes</b>					
47.	January 2019	<p>ICASL offers training on IFRS Standards on an annual basis to support practitioners' implementation.</p> <p>The institute received feedback from its members that further support on IFRS 9 is needed and consequently, the first training of 2019 was on this standard.</p>	Annually	ICASL	

#	Start Date	Actions	Completion Date	Responsibility	Resource
48.	March 2017	As and when the Director of ICASL receives updates and pronouncements from IFAC, these updates are circulated to the general ICASL membership	Ongoing	ICASL	
<b><i>Review of ICASL's Compliance Information</i></b>					
49.	June 2019	Review of ICASL response to SMO 7 Section and update the response as necessary.	Ongoing	ICASL	



## The Institute of Chartered Accountants of Sierra Leone

December 4, 2019

Name: BUFFY BAILOR

Title: PRESIDENT

Company: INSTITUTE OF CHARTERED ACCOUNTANTS OF SIERRA LEONE

Address: 4C COLLEGE ROAD, OFF MAIN MOTOR ROAD, CONGO CROSS, FREETOWN SIERRA LEONE

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### **Attestation of Ongoing SMO Compliance**

IFAC Statements of Membership Obligations (SMOs) require IFAC Members and Associates to support the adoption and implementation 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.

The **Institute of Chartered Accountants of Sierra Leone (ICASL)** has developed an Action Plan to demonstrate how it fulfills the requirements of the SMOs (revised in 2012). We have reviewed the information contained within the SMO Action Plan and affirm that the NAME OF PAO continues to undertake these and other relevant actions in order to maintain ongoing compliance and fulfillment of the membership obligations.

On behalf of the leadership of the **ICASL**, I endorse the 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.

BUFFY BAILOR FCCA FCA SL \_\_\_\_\_, PRESIDENT \_\_\_\_\_

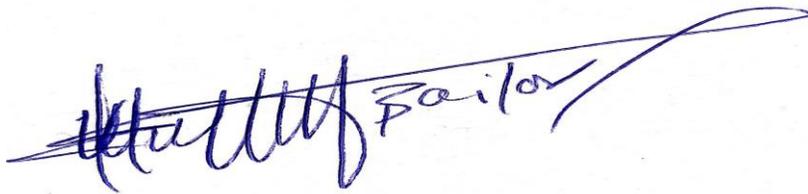
(Mr.)

INSTITUTE OF CHARTERED ACCOUNTANTS OF SIERRA LEONE

\_\_\_\_\_  
(Name of PAO)

25<sup>TH</sup> NOVEMBER 2019

\_\_\_\_\_  
(Date)

A handwritten signature in blue ink, appearing to read "Buffy Bailor", with a long, sweeping flourish extending to the right.

**(Signature of President)**