



INSTITUTE OF
CHARTERED
ACCOUNTANTS
OF NAMIBIA

342 Sam Nujoma Drive

PO Box 21459

Windhoek

Namibia

Tel: +264 (061) 220218

Fax: +264 (061) 230014

Email: secretariat@ca-nam.com

www.icancpd.net

February 20, 2020

Sarah Gagnon

Technical Manager – Quality and Development

International Federation of Accountants

529 Fifth Avenue, New York

NY 10017 USA

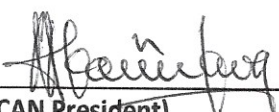
Sarahgagnon@ifac.org

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 Namibia (ICAN)** 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 **Institute of Chartered Accountants of Namibia (ICAN)**, 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.


(ICAN President) _____ President
(Title)

Institute of Chartered Accountants of Namibia

(Name of PAO)

25 February 2020

(Date)



The premier professional qualification in accounting, tax and business matters.
Does a chartered accountant service your organisation?



BACKGROUND NOTE ON ACTION PLANS

Action Plans are developed by IFAC members and associates to address policy matters identified through their responses to the IFAC Compliance Self-Assessment Questionnaires. They form part of a continuous process within the IFAC Member Body Compliance Program to support the ongoing development and improvement of the accountancy profession around the world.

Action Plans are prepared by members and associates for their own use based on the national frameworks, priorities, processes and challenges specific to each jurisdiction. As such, they will vary in their objectives, content and level of detail, consistent with their differing national environments and stages of development, and will be subject to periodic review and update.

Refer to responses to the Part 1 Assessment of the Regulatory and Standard-Setting Framework Questionnaire and Part 2 SMO Self-Assessment Questionnaire for background information on each member and associate their environment and existing processes. These responses may be viewed at: http://www.ifac.org/ComplianceAssessment/published_surveys.php

Use of Information

Please refer to the Disclaimer published on the Compliance Program website.

ACTION PLAN

IFAC Member/Associate:	<i>Institute of Chartered Accountants of Namibia (ICAN)</i>
Approved by Governing Body:	<i>Institute of Chartered Accountants of Namibia (ICAN) Council</i>
Date Approved:	<i>25 February 2020</i>
Date Published:	<i>March 2020</i>
Next Update:	<i>March 2023</i>

Glossary

ISA	International Standards on Auditing
PAAB	Public Accountants and Auditors Board in Namibia (audit regulator)
CPD	Continuing Professional Development
IAASB	International Auditing and Assurance Standards Board
IAESB	International Accounting Education Standards Board
IASB	International Accounting Standards Board
IESBA	International Ethics Standards Board of Accountants
IFRS	International Financial Reporting Standards
IPSAS	International Public Sector Accounting Standards
IRBA	Independent Regulatory Board for Auditors
SAICA	South African Institute of Chartered Accountants

Action Plan Subject: SMO 1 – Quality Assurance

Action Plan Objective: *Develop and maintain ICAN Quality Assurance Review System in accordance with SMO 1 requirements*

#	Start Date	Actions	Completion Date	Responsibility	Resource
<p><i>Background</i></p> <p>ICAN members carrying out assurance and attest services have been subject to Engagement Quality reviews since 1996. The Namibian Public Accountants and Auditors Board (PAAB) has legal responsibility for monitoring and maintaining the quality of attest services provided by Registered Auditors such as establishing a Quality Assurance (QA) review system.</p> <p>The PAAB contracts external consultants to provide review services to the Board and the Board has a Quality Assurance Committee (QAC) which includes at least one ICAN member who is not in public practice.</p> <p>Note 1 – Outline of PAABs Quality Assurance Review Methodology:</p> <p>The QAC receives and reviews the reports from the quality assurance reviewers and decides on the outcomes and actions required (sanctions and remedial). The reviews will consist of Firm and audit engagement file reviews.</p> <p>For firm reviews the control system elements are leadership responsibilities, ethical requirements, client acceptance and continuance procedures, human resource policies and procedures, engagement performance and monitoring. The objective of a firm review is to interrogate the design and implementation of an audit firm’s system of quality control in terms of the International Standard of Quality Control (ISQC) 1.</p> <p>Engagements subject to review include all audits of annual financial statements. The objective of engagement review is to monitor practitioners’ compliance with the relevant professional standards in the performance of the attest function.</p> <p>The results of the QA reviews are summarized and documented in a prescribed format by the QA reviewer and submitted to the QAC for evaluation. The QAC consults with the QA reviewer on the review findings and may require a firm or practitioner to provide additional information in order to reach a final assessment.</p> <p>The Quality Assurance Review Reviewer (QARR) may select any file for which the engagement partner was responsible for as the engagement partner.</p>					

#	Start Date	Actions	Completion Date	Responsibility	Resource
<p>The QARR may select any high-risk audit engagement file that was performed and signed by the engagement partner in a specific period before the review. The selection may be limited to the ISA 700 series and ISA 800 reports issued by the engagement partner.</p> <p>High risk entities are defined as:</p> <ul style="list-style-type: none"> • Listed entities, and subsidiaries of listed entities • State owned entities • Banks • Insurance companies • Collective investment schemes • Pensions funds, retirement funds and provident funds • Medical schemes • Co-operatives • Tertiary education institutions <p>Findings are raised from 1-4 with 4 representing an inappropriate audit report and 1 representing low risk matter or non-compliance with remote possibility of causing a failure of the quality control system/inappropriate audit report.</p> <p>Findings rated 3 or 4 will result in re-review.</p> <p>Excessive number of findings rated 1 or 2 might also result in a re-review as recommended by the QARR and confirmed by the Quality Assurance Committee (QAC).</p> <p>Re-reviews are scheduled at least 12 months after the QAC decision.</p>					
<i>Ensure the Quality Assurance Review System Is in Line with the Requirements of SMO 1</i>					
1.	2009	The PAAB Quality Assurance methodology was designed to be in compliance with SMO1.	Ongoing	PAAB	PAAB Quality Assurance Committee + external consultants
2.	2019	New Quality Assurance Standards issued by the IAASB.	Ongoing	PAAB	PAAB Quality Assurance Committee + external consultants

#	Start Date	Actions	Completion Date	Responsibility	Resource
		<p>ICAN has communicated the significance of the new standards to the managing partners of audit firms in Namibia.</p> <p>The PAAB has issued an updated Methodology in November 2019 effective from 1 January 2020. This methodology requires more detailed information about the audit client base of the firm to allow better assessment of inherent risk in the portfolio of audit clients.</p>			
<i>Maintaining Ongoing Processes</i>					
3.	Ongoing	Assist ICAN members in preparation for and implementation of ISQM 1 and 2 and ISA 220 revised by updating implementation guidance and providing CPD courses.	Ongoing	ICAN Accounting and Auditing Standards Committee	ICAN Technical Standards Executive and Secretariat
4.	Ongoing	At least one ICAN member is a member of the PAAB Quality Assurance committee. Ongoing liaison with the relevant ICAN member allows for insight into the PAAB Quality Assurance process.	Ongoing	ICAN Council	ICAN Technical Standards Executive
<i>Review of ORGANIZATION's Compliance Information</i>					
5.	Ongoing	Perform periodic review and update sections relevant to SMO 1 as necessary.	Ongoing	ICAN Council	ICAN Technical Standards Executive

Main Requirements of SMO 1 [QA Review System Operated by PAAB]

See response from PAAB attached. (18 February 2020)

Action Plan Subject: SMO 2–International Education Standards for Professional Accountants and Other Pronouncements Issued by the IAESB

Action Plan Objective: *To ensure compliance of education system in line with International Education Standards*

#	Start Date	Actions	Completion Date	Responsibility	Resource
<p><i>Background</i></p> <p>By agreement with the PAAB the responsibilities for the practical training and professional education of professional accountants and auditors have been split between the Board and the Institute respectively.</p> <p>Accordingly, the PAAB regulates and administers all aspects of the training contracts which prospective professional accountants and auditors must complete. The PAAB has adopted the SAICA Training model and Regulations as Namibian Regulations for this purpose. Accreditation of Training Offices and Officers and Training Office inspection visits are all conducted in compliance with the adopted SAICA Training Regulations.</p> <p>The Institute presents all professional examinations. ICAN has concluded a memorandum of agreement with SAICA to use the SAICA professional examinations and is bound by agreement to apply the SAICA training and regulations. The ICAN qualification process is as follows:</p> <ul style="list-style-type: none">• Formal competency-based academic education (Academic programme): Acquired through an accredited academic education program delivered by universities (undergraduate degree followed by a postgraduate one-year academic qualification referred to as the Certificate in the Theory of Accountancy (CTA)).• A standard-setting examination – Initial Test of Competence (ITC): This ensures that all candidates have the requisite level of core competence before embarking on the professional programme. The marking and assessment of the ICAN candidates is done by SAICA on behalf of ICAN.• Formal competency-based professional education (professional programme): Acquired through an accredited professional programme is delivered by accredited providers.• A professional examination – Assessment of Professional Competence (APC): This assesses professional competence before entry to the profession. The marking and assessment of the APC candidates is done by SAICA on behalf of ICAN.• Practical experience (training programme):					

#	Start Date	Actions	Completion Date	Responsibility	Resource
		<p>The Institute recognizes and accepts the training contracts of the PAAB which are least 3 years with a registered training office.</p> <p>The Institute has at least one member of the ICAN Council who is also on the ICAN Training and Education Committee (“TRECO”) and who is also a member of the PAAB Education Committee. This allows the Institute to be informed and also to provide input into any matters relating to the training contracts of the PAAB to ensure that these meet the SAICA training regulation requirements.</p> <p>The ICAN Education consultant and/or another representative from the TRECO attends the SAICA Examination Results Adjudication meetings which consider the results of the ITC and APC assessments in order to be informed of any matters relating to these assessments. In terms of the ICAN/SAICA mutual recognition accreditation assessment, one of the agreed actions is for ICAN to increase its independence from SAICA by reviewing IES standards directly rather than relying on SAICA processes in this regard. As from 2019, ICAN TRECO holds its own Adjudication meetings to consider the results of the ITC and APC assessments.</p> <p>Namibian Tax Requirements: In the past, ICAN did not require prospective members to write an examination in Namibian tax. ICAN presented an annual one-day Tax Conversion Course for trainee accountants that addressed the primary differences between Namibian and South African Income Tax and VAT legislation. This is not a mandatory course for trainee accountants as certain larger firms present internal courses on taxation for their training accountants but is still offered on an annual basis. In addition, the competency-based training regulations require that trainee accountants obtain and present evidence of their competency in Namibian Income Tax and VAT to the satisfaction of their Accredited Training Officers.</p> <p>As from 2019, the APC is a local Namibian exam which applies and is based on Namibian legislation.</p> <p>Annually in January ICAN issues all members with a CPD declaration that members must submit to the Secretariat to confirm their compliance with the CPD policy. In 2019, ICANs CPD policy was amended to take into account the revised IES 7 standard. A copy of the policy is provided with the declaration to remind members of their obligations. Members are informed individually by email of all CPD events. Individual members are followed up to obtain all declarations as failure to submit a declaration will result in removal from membership.</p> <p>In 2018, ICAN compiled a joint accreditation manual with the National Council for Higher Education. This manual provides the accreditation methodology and assessment criteria for Namibian tertiary education institutions wishing to present graduate accounting and auditing programmes leading to professional examinations. The Institute and the NCHE completed the first joint accreditation review for the University of Namibia in 2018/2019.</p>			

#	Start Date	Actions	Completion Date	Responsibility	Resource
ICAN reviews all SAICA education and training policies and procedures and amend/adapt as appropriate before formal adoption by the Institute TRECO.					
<i>Continue to Use Best Endeavors to Ensure That All IES Requirements Are Incorporated into the Namibian Professional Education System</i>					
1.	Ongoing	ICAN Nominees appointed to the Public Accountants and Auditors Board and ICAN TRECO members are tasked to ensure that the Board Education and Training Committee monitors the application of the SAICA training regulations.	Ongoing, quarterly meetings with the ICAN Nominees	ICAN Council/ICAN TRECO	ICAN Nominees to the PAAB/ICAN TRECO members who are also members of PAAB Education Committee
2.	Ongoing	Monitor International Education Standards (IES) requirements in relation to the SAICA training model and provide comment to SAICA, as needed. After consultation with SAICA it has been concluded that the ICAN/SAICA training model meets or exceeds the latest IES.	Ongoing	Chair of TRECO	ICAN Training and Education Committee and ICAN Professional Development Executive
<i>Maintaining Ongoing Processes</i>					
3.	Ongoing	Pronouncements by the International Accounting Education Standards Board (IAESB) are monitored to ensure that practical experience requirements are in line with the pronouncements. Raise any matters that are identified with the PAAB Education Committee.	Ongoing	Chair of TRECO	ICAN Training and Education Committee and ICAN Professional Development Executive
4.	Ongoing	Monitor that ongoing reviews of training offices for compliance with SMO 2 requirements are taking place by suitably accredited reviewers. (reviews may be conducted more frequently if there are deficiencies that need to be addressed taking into consideration the nature and seriousness of the deficiencies).	Ongoing	Chair of TRECO	Independent PAAB Accredited Training Office Assessor who meets SAICA requirements

#	Start Date	Actions	Completion Date	Responsibility	Resource
5.	Ongoing	Annual refresher training for Accredited Training Officers.	Ongoing	ICAN nominees to the Board Education And Training Committee	Independent SAICA Accredited Training Officer Trainer
6.	Ongoing	Ensure through periodic reviews, that the Entry Requirements, Professional Education, Final Assessments, and Practical Experience, and Continuing Education currently developed and designed are updated with the new requirements issued by the IAESB.	Ongoing	TRECO	ICAN Professional Development Executive Secretariat supported by relevant SAICA staff
7.	Ongoing	Monitor compliance with the ICAN CPD policy (which means IFAC CPD requirements) on an annual basis through monitoring the ICAN CPD online register and annual declarations from members. Ensure that CPD offered by ICAN includes sufficient technical updates covering financial reporting and assurance standards. In 2019, ICANs CPD policy was amended to take into account the revised IES 7 standard.	Ongoing	ICAN council	ICAN secretariat who arranges the annual ICAN programme
8.	2018	The following CPD courses were presented in 2018: <ul style="list-style-type: none"> - IPSAS Course - Intro to Namibian Tax for trainee accountants - General Tax Refresher for Professional Accountants - Ethics - IFRS Back to Basics - NOCLAR Dilemmas - IFRS & IFRS for SMEs Update 	2018		
9.	2019	The following CPD courses were presented in 2019:	2019		

#	Start Date	Actions	Completion Date	Responsibility	Resource
		<ul style="list-style-type: none"> - General Tax Refresher for Professional Accountants - Double your income for accounting firms - foundations that will enable you to maximize your profitability potential - Records management in Namibia – challenges and future trends - Intro to Namibian Tax for trainee accountants - Prevention of Organised Crime Act: Clarity on your responsibility to report - NOCLAR and Ethics for professionals - IFRS update - General Tax Refresher for Professional Accountants - What's new in Data Security (Namibia Cyber Threat Landscape, Dark Web, Enterprise Governance of IT) - NOCLAR and Ethics for professionals 			
10.	Ongoing	Arrange that the PAAB Secretariat is provided with all IAESB communications and updates either from the ICAN Secretariat or directly from the IAESB Secretariat.	Ongoing	ICAN Secretariat	IAESB Secretariat
<i>Review of ORGANIZATION's Compliance Information</i>					
11.	Ongoing	Perform periodic review and update sections relevant to SMO 2 as necessary.	Ongoing	ICAN Council	ICAN Technical Standards Executive

Action Plan Subject: SMO 3–International Standards and other Pronouncements Issued by the IAASB
Action Plan Objective: Ongoing adoption and implementation IAASB Pronouncements

#	Start Date	Actions	Completion Date	Responsibility	Resource
<p><i>Background</i></p> <p>ICAN adopted all International Standard of Auditing (ISAs) as issued by the International Auditing and Assurance Standards Board (IAASB) in January 2007. This is a standing adoption and all new IAASB pronouncements are adopted as and when they are effective. There is no time lag between IAASB pronouncements and their Namibian adoption.</p> <p>ICAN has an Accounting and Auditing Standards committee which considers all accounting and auditing pronouncements from the IASB and the IAASB, addresses queries from members on matters of a technical nature. This Committee considers such requests and where the requests are considered to indicate the need for general guidance to members then the Committee will prepare a Circular for issue to members. All Circulars are presented to the Council of ICAN for approval prior to issue. Circulars are binding on members of the Institute.</p> <p>The Accounting and Auditing Standards committee has membership representative of the profession, users of financial statements, the Public Accountants' and Auditors' Board and other accounting bodies established in Namibia.</p> <p>ICAN offers annual Continuing Professional Development (CPD) training seminars which deal with both IASB and IAASB pronouncements at regular intervals during the year to ensure that members are informed about these pronouncements.</p> <p>In 2019, the Institute appointed a Chartered Accountant (Namibia) as Technical Manager, now the Executive for Technical Standards to support the Accounting and Auditing Standards committee and who is responsible for responses to individual queries received from members.</p>					
<i>Continuing to Adopt and Implement IAASB Pronouncements in an Ongoing Manner</i>					
1.	2014	The PAAB officially mandated the Institute to issue guidance and standards relating to audit and assurance services. The PAAB has a representative sit on the ICAN Accounting and Auditing Standards Committee.	Ongoing	ICAN Council	Accounting and Auditing Standards Committee

#	Start Date	Actions	Completion Date	Responsibility	Resource
		In 2019, the PAAB gave notice of its intention to take over the responsibility for guidance's and standards relating to audit and assurance services once it has established the technical resources required within the PAAB.			
2.	Ongoing	Pronouncements are adopted as and when issued by IAASB (Applying same effective date as IAASB). The ICAN Accounting and Auditing Standards Committee considers the impact of standards affecting audit or special purpose assignments on an ongoing basis and engages with relevant statutory entities or stakeholders about changes. Where the need for guidance to members of ICAN has been agreed with other parties, a proposed Circular addressing the matter is drafted by the Committee and after consensus with third parties is reached on the content, the proposed submission is presented for approval to Council.	Ongoing, monthly meetings	Accounting and Auditing Standards Committee	ICAN Technical Standards Executive
3.	Ongoing	The ICAN CEO and Technical Standards Executive subscribe to IFAC communications. Any relevant and topical technical communications are added to the Accounting and Auditing Standards Committees agenda and the Committee then agrees on whether or not the Institute should issue and alert members in this regard. E.g. the new ISQM 1 and 2 and the revised ISA 220 was sent as an alert to the managing partners of all audit firms in Namibia.	Ongoing	Technical Standards Executive	Accounting and Auditing Standards Committee
4.	Ongoing	ICAN provides ongoing CPD training to all members offering assurance and attest services to the public at	Ongoing	Council	Secretariat

#	Start Date	Actions	Completion Date	Responsibility	Resource
		least annually unless volume or frequency of pronouncements requires additional CPD training. These seminars are updates on auditing and accounting standards and are provided by external experts contracted by ICAN.			
<i>Maintaining Ongoing Processes</i>					
5.	Ongoing	IAASB exposure drafts considered by the Accounting and Auditing Standards Committee and where necessary comments are submitted to IAASB.	Ongoing	Technical Standards Executive	Accounting and Auditing Standards Committee
6.	Ongoing	Continue to identify opportunities to further assist in implementation of ISAs. This includes review of the existing activities and updating action plans for the future activities where necessary	Ongoing	Technical Standards Executive	Accounting and Auditing Standards Committee
<i>Review of ORGANIZATION's Compliance Information</i>					
7.	Ongoing	Perform periodic review and update sections relevant to SMO 3 as necessary.	Ongoing	ICAN Council	Technical Standards Executive

Action Plan Subject: SMO 4–IESBA Code of Ethics for Professional Accountants

Action Plan Objective: *Adopting the Current IESBA Code of Ethics*

#	Start Date	Actions	Completion Date	Responsibility	Resource
<p><i>Background</i></p> <p>ICAN adopted the Code of Ethics of the International Ethics Standards Board of Accountants (IESBA) in 2007. At its meeting of 22 September 2010, the Council of ICAN adopted the current (July 2009) IESBA Code of Ethics with effective date 1 January 2011. The Council further confirmed its policy decision that all the pronouncement issued by the Independent Standard Setting Boards supported by IFAC and the International Accounting Standards Board (IASB) are adopted as and when issued by the relevant entities. The 2018 IESBA Code of Ethics was adopted by ICAN and the PAAB in 2019.</p> <p>The Institute participated in a review of the King III Code on Corporate Governance in collaboration with the Namibian Stock Exchange and the Institute of Directors of Southern Africa to localize King III to Namibian legislation.</p> <p>The result of the review has been published as the NAMCODE.</p>					
<i>Ensure Effective Implementation of the IESBA Code of Ethic</i>					
1.	Ongoing	<p>As part of the Quality Assurance process of the PAAB, firm reviews are conducted which include a specific focus on the implementation of the Code of Ethics within the firm and by individual partners.</p> <p>As ICAN considers that the Quality Assurance programme should lead to an ongoing commitment to quality improvement, any deficiencies or areas of improvement are highlighted to practitioners and they are referred to alternative resources to improve their implementation.</p>	Ongoing	PAAB	PAAB Quality Assurance Committee + external consultants
2.	2019	ICAN revised all historical circulars which are impacted by the amendments per the 2018 Code. These were circulars that contained illustrative audit reports. The 2018 code has been uploaded on the	2019	ICAN Technical Standards Executive	ICAN Technical Standards Executive

#	Start Date	Actions	Completion Date	Responsibility	Resource
		ICAN website for ease of references for members and this was communicated to members in one of ICAN's newsletters.			
<i>Maintaining Ongoing Processes</i>					
3.	Ongoing	ICAN Council monitors enquiries from members on IESBA pronouncements relating to Code of Ethics to determine whether updates or additional training is required for members	Ongoing	Accounting and Auditing Standards Committee	ICAN Technical Standards Executive
4.	Ongoing	Continue to support ongoing adoption and implementation of the IESBA Code of Ethics. This includes a review of the implementation of the Action Plan to date and updating the Action Plan for future activities as necessary. ICAN Nominees to the PAAB proposed the adoption of the IEASB Code of Ethics during 2013. The Board adopted the Code during 2014. The board adopted the 2018 Code of Ethics in 2019.	Ongoing	Accounting and Auditing Standards Committee	ICAN Technical Standards Executive
<i>Review of ORGANIZATION's Compliance Information</i>					
5.	Ongoing	Perform periodic review and update sections relevant to SMO 4 as necessary.	Ongoing	ICAN Council	ICAN Technical Standards Executive

Action Plan Subject: SMO 5–International Public Sector Accounting Standards and Other Pronouncements Issued by the IPSAS
Action Plan Objective: Adoption of IPSAS by Government of the Republic of Namibia

#	Start Date	Actions	Completion Date	Responsibility	Resource
<p><i>Background</i></p> <p>For central government financial reporting is determined by the State Finance Act of 1991, reporting is cash based and an annual Revenue and Expenditure is presented to Parliament by the Minister of Finance. There are no local Public Sector Accounting Standards.</p> <p>Regional and local government financial reporting is governed by the Local Authorities Act of 1992. This Act does not prescribe any Accounting Standards but requires local authorities to present a balance sheet, a statement of income and expenditure and any other statements or reports that the Auditor General may require. One Municipality has adopted IPSAS for financial reporting purposes.</p> <p>There is no statutory body tasked or empowered to set public financial reporting standards.</p> <p>In 2008, ICAN provided training to the National Assembly (Parliamentary) Standing Committee on Public Accounts during which the adoption of International Public Sector Accounting Standards (IPSASs) was promoted to the Members of Parliament that constitute the Public Accounts Committee.</p> <p>In 2018 ICAN adopted IPSAS as a Financial Reporting Framework for Namibia. The adoption of IPSAS by ICAN allows Namibian entities to apply IPSAS if they choose to do so and does not mandate the use of IPSAS for any entity. ICAN prescribes the financial reporting framework for Namibian Companies per the Companies Act 2004. ICAN does not have the mandate to prescribe the reporting framework for public sector entities.</p>					
<i>Promote the Adoption of IPSAS</i>					
1.	2016	ICAN has formalised a Terms of Reference for a Public Sector Committee which is proposed to include a representative of the Ministry of Finance, the Auditor General and the Accountant General. This Committee is proposed to create a platform that will allow for the discussion of IPSAS and how the Institute can support the adoption of IPSAS. ICAN	Ongoing	ICAN Technical Standards Executive	ICAN Technical Standards Executive, SAICA and ESAAG staff.

#	Start Date	Actions	Completion Date	Responsibility	Resource
		has engaged with East and Southern African Association of Accountants-General (“ESAAG”) and SAICA to gather information as to the establishment of a successful Public Sector Committee. The Committee is expected to be constituted in 2020.			
<i>Maintaining Ongoing Processes</i>					
2.	2018	Following the adoption of IPSAS BY ICAN two CPD events were presented for members and stakeholders.	Ongoing	Secretariat	Accounting and Auditing Standards Committee
3.	2019	ICAN has increased its stakeholder engagement with Regional and Local authorities specifically by sitting on interim steering committees working on capacity building within Regional Councils and Local Authorities for Internal Auditors and appropriately qualified CEOs who wish to choose IPSAS as their financial reporting framework	Ongoing	ICAN Technical Standards Executive	ICAN Technical Standards Executive
<i>Review of ORGANIZATION's Compliance Information</i>					
4.	Ongoing	Perform periodic review and update sections relevant to SMO 5 as necessary.	Ongoing	ICAN Council	ICAN Technical Standards Executive

Action Plan Subject: SMO 6–Investigation and Discipline

Action Plan Objective: *Ensure Investigation and Disciplinary processes comply with requirements of SMO 6*

#	Start Date	Actions	Completion Date	Responsibility	Resource
<p><i>Background</i></p> <p>Since 2007 the Disciplinary Committee has been chaired by an independent legal practitioner. The Investigation and Discipline (I&D) procedure is based on information that arises from the QA review system and the ICAN mandatory monitored CPD program. Complaints are generally received from members of the public or clients of audit firms.</p> <p>One committee investigates the complaint and a separate committee administers disciplinary action. Both Investigation and Disciplinary committees are equally composed of members in public practice and members in business. This ensures that independent input is obtained in both processes of investigation and disciplinary hearings. The I&D system allows appeal only outside of the Disciplinary Committee through the legal system. As both committees are only comprised of members of the Institute albeit with careful consideration of independence, their composition does not comply with the paragraph 27 of the Revised SMO. In other respects, the investigation and disciplinary processes meet SMO 6 requirements.</p> <p>Two complaints against members were received in 2019 and two were received in 2018. Of these, three were referred to the PAAB and one is in the Investigation stage. ICAN is engaging legal counsel to assist with the matter.</p>					
<p><i>Review of the Investigation and Disciplinary Procedure</i></p>					
5.	2015	The 2011 I&D processes and procedures were updated after comparison to the SAICA and Institute of Chartered Accountants of Zimbabwe models and amended By-Laws were approved by the Institute at a Special General Meeting in January 2015. The Constitution allows that the Council may amend the By-Laws. This will allow the Council to consider the opening of disciplinary hearings to the public.	2016	ICAN Council	ICAN Council
6.	2015	Place copy of revised constitution on the ICAN website. All new members are provided with a copy	2015	ICAN CEO	Secretariat

#	Start Date	Actions	Completion Date	Responsibility	Resource
		of the Constitution, By-laws and the Code of Ethics at the annual new members welcoming event.			
7.	2019	In 2019 the I&D processes and procedures were reviewed in comparison to SAICA's most recent processes as well as those of other comparable jurisdictions.	2019	ICAN Council	Secretariat
<i>Maintaining Ongoing Processes</i>					
8.	Ongoing	In cases where there is a complaint received against a member of ICAN who is also registered with the PAAB then ICAN provides the complaint to the PAAB and ICAN will only deal with the complaint once the PAAB has completed its findings. This is to avoid contradictory findings being reached between the Institute and the Statutory Regulator on the same complaint. The PAAB I&D system is largely the same as that of the Institute although the PAAB has the power to subpoena witnesses and evidence.	Ongoing	ICAN Council	Secretariat
9.	2019	In 2019, the PAAB appointed an Investigation Manager to increase its capacity.	2019	ICAN Council	Secretariat
10.	Ongoing	Continue to ensure that ICAN's investigation and disciplinary mechanism addresses all SMO 6 requirements. This includes a review of the existing mechanism and updating the Action Plan for future activities where necessary	Ongoing	ICAN Council	Secretariat
<i>Review of ORGANIZATION's Compliance Information</i>					

#	Start Date	Actions	Completion Date	Responsibility	Resource
11.	Ongoing	Perform periodic review and update sections relevant to SMO 6 as necessary.	Ongoing	Ongoing	ICAN Technical Standards Executive

Main Requirements of SMO 6 [Two I&D Systems in Jurisdiction]

Requirements	ICAN's System	PAAB's System	Comments
	Yes No Partially	Yes No Partially	
Scope of the system 1. A system of investigation, discipline and appeals exists for the accountancy profession. The system is operational.	y	See attached letter from PAAB (18 Feb 2020)	[ICAN] The system of investigation, discipline and appeal is enshrined in the constitution of the Institute.
2. Information about the types of misconduct which may bring about investigative actions is publicly available.	y	See attached letter from PAAB (18 Feb 2020)	[ICAN] The types of misconduct are outlined in the constitution which includes reference to the code of ethics as adopted by the Institute (currently the 2018 IESBA code of ethics).
Initiation of Proceedings 3. Both a "complaints-based" and an "information-based" approach are adopted.	y	See attached letter from PAAB (18 Feb 2020)	If ICAN receives information that a member is acting contradictory to the constitution and by-laws or the Public Accountants and Auditors Act (The act which regulates auditors) then ICAN can act as the complainant to the PAAB or the Investigation Committee as applicable without the need for a formal complaint.
4. Link with the results of QA reviews has been established.	y	See attached letter from PAAB (18 Feb 2020)	

Requirements	ICAN's System	PAAB's System	Comments
	Yes No Partially	Yes No Partially	
Investigative process			
5. A committee or similar body exists for performing investigations.	y	See attached letter from PAAB (18 Feb 2020)	
6. Members of a committee are independent of the subject of the investigation and other related parties.	y	See attached letter from PAAB (18 Feb 2020)	
Disciplinary process			
7. A separate disciplinary committee/entity exists to make disciplinary decisions on referrals from the investigation committee.	y	See attached letter from PAAB (18 Feb 2020)	
8. Members of the committee/entity include professional accountants as well as non-accountants.	N	See attached letter from PAAB (18 Feb 2020)	[ICAN] All members must be members of the Institute as per the by-laws.
9. The tribunal exhibits independence of the subject of the investigation and other related parties.	y	See attached letter from PAAB (18 Feb 2020)	
Sanctions			
10. The disciplinary system allows imposing an extensive range of penalties. It is particularly important to include (a) loss of professional designation; (b) restriction and removal of practicing rights; and (c) exclusion from membership.	y	See attached letter from PAAB (18 Feb 2020)	

Requirements	ICAN's System	PAAB's System	Comments
	Yes No Partially	Yes No Partially	
Rights of representation and appeal 11. A third appeals body exists which is separate from both the disciplinary committee and investigative committee.	Y	See attached letter from PAAB (18 Feb 2020)	[ICAN] If a decision of the Disciplinary Committee is appealed, the appeal must be dealt with in Court.
Administrative Processes 12. Timeframe targets for disposal of all cases are set.	N	See attached letter from PAAB (18 Feb 2020)	
13. Tracking mechanisms to monitor progress in investigation and discipline and related procedures are established.	y	See attached letter from PAAB (18 Feb 2020)	
14. Records of investigations and disciplinary processes are established.	y	See attached letter from PAAB (18 Feb 2020)	
Public Interest Considerations 15. Activities are supported to ensure that the public is aware that an investigative and disciplinary system exists in the jurisdiction.	y	See attached letter from PAAB (18 Feb 2020)	
16. A process for the independent review of complaints on which there was no follow-up is established.	N	See attached letter from PAAB (18 Feb 2020)	
17. The results of the investigative and disciplinary proceedings are made available to the public.	P	See attached letter from PAAB (18 Feb 2020)	[ICAN] The Institute may communicate disciplinary findings to members of the Institute and to any other body or institution which it considers appropriate.

Requirements	ICAN's System	PAAB's System	Comments
	Yes No Partially	Yes No Partially	
Liaison with Outside Bodies 18. There is an appropriate process for liaison with outside bodies on possible involvement in serious crimes and offences.	y	See attached letter from PAAB (18 Feb 2020)	[ICAN] In terms of its constitution the Institute informs the PAAB of any complaints received which relate to persons registered with the PAAB as the PAAB has statutory powers to initiate proceedings or to provide information to other statutory intuitions.
Regular review of implementation and effectiveness 19. Regular review of implementation and effectiveness of the system are performed and corrective actions are implemented.	y	See attached letter from PAAB (18 Feb 2020)	

Action Plan Subject: SMO 7–International Financial Reporting Standards and Other Pronouncements issued by the IASB
Action Plan Objective: Adopt and implement as issued by IASB

#	Start Date	Actions	Completion Date	Responsibility	Resource
<p><i>Background</i></p> <p>From January 2005, ICAN Council adopted all International Financial Reporting Standards (except for IFRS 1). In January 2008, ICAN adopted IFRS 1 ensuring that ICAN further meets SMO 7 requirements. In addition, ICAN Council adopted IFRS for SMEs on February 17, 2010. All pronouncements by IASB are adopted on the effective date as prescribed by the IASB.</p> <p>This adoption is a blanket adoption. Where Council, the Accounting and Auditing Standards Committee or members request or suggest that an exposure draft is commented on this will be delegated to the Accounting and Auditing Standards Committee to attend to.</p> <p>ICAN Accounting and Auditing Standards Committee considers the impact of standards affecting audit or special purpose assignments on an ongoing basis and engages with relevant statutory entities or stakeholders about changes where appropriate. Where the need for guidance to members of ICAN has been agreed with other parties a proposed Circular addressing the matter is drafted by the Accounting and Auditing Standards committee and after consensus with third parties is reached on the content, the proposed submission is presented for approval to Council.</p> <p>In 2006, in the absence of an IFAC statement dealing with SME's ICAN adopted a Namibian Standard (NAC001) dealing with SME's. This statement is based on the ECSAFA Guide "Accounting for SME's). The Accounting and Auditing Standards Committee reviewed the appropriateness of retaining this statement during 2018/2019 and issued further guidance on the use of NAC001 in 2019.</p>					
<p><i>Ensuring Proper Implementation of International Financial Reporting Standards</i></p>					
12.	Ongoing	The ICAN CEO and Technical Standards Executive subscribe to IFAC communications. Any relevant and topical technical communications are added to the Accounting and Auditing Standards Committees agenda and the Committee then agrees on whether or not the Institute should issue and alert members in this regard.	Ongoing	Technical Standards Executive	Accounting and Auditing Standards Committee
13.	Ongoing	The Institute provides 3 technical update seminars annually for a total of 4 days training. These seminars are updates on auditing and accounting standards and	Ongoing	Secretariat	External trainers

Action Plan Developed by
INSTITUTE OF CHARTERED ACCOUNTANTS OF NAMIBIA (ICAN)

#	Start Date	Actions	Completion Date	Responsibility	Resource
		are provided by external experts contracted by ICAN. In addition, financial statement disclosure is also reviewed during the course of ICAN Quality Assurance Engagement reviews to ensure that financial statements comply with IFRS.			
14.	January 2019	ICAN is driving an initiative to obligate the use of a recognised Financial Reporting Framework for corporate entities other than companies by having this requirement adopted into the governing legislation for such corporate entities.	Ongoing	Ongoing	Accounting and Auditing Standards Committee; Technical Standards Executive
<i>Maintaining Ongoing Processes</i>					
15.	Ongoing	Continue to ensure that IFRS are adopted as issued by the IASB.	Ongoing	ICAN Council	Accounting and Auditing Standards Committee; Technical Standards Executive
16.	Ongoing	Continue to identify opportunities to further assist in implementation of IFRS. This includes review of the existing activities and updating the Action Plan for the future activities where necessary.	Ongoing	ICAN Council	ICAN Technical Standards Executive
<i>Review of ORGANIZATION's Compliance Information</i>					
17.	Ongoing	Perform periodic review and update sections relevant to SMO 7 as necessary.	Ongoing	ICAN Council	ICAN Technical Standards Executive



PUBLIC ACCOUNTANTS' AND AUDITORS' BOARD

ESTABLISHED UNDER SECTION 2 OF THE PUBLIC ACCOUNTANTS AND AUDITORS ACT NO. 51 OF 1951 AS AMENDED

Tel: +264 61 285 8467 | PO Box 11913 | 123 Robert Mugabe Avenue | Windhoek

Email: secretariat@paab.com.na | Website: www.paab.com.na

18 February 2020

Investigation and Disciplinary Systems

Requirements	PAAB's System	Comments
	Yes No Partially	
Scope of the system 1. A system of investigation, discipline and appeals exists for the accountancy profession. The system is operational.	Yes	The system is operational and being continuously improved in line with international best practices. New disciplinary rules are being gazetted while the enactment of the new PAAB Bill (PAAB Act) to repeal the PAAB Act no. 51 of 1951 is also underway.
2. Information about the types of misconduct which may bring about investigative actions is publicly available.	Yes	The PAAB adopts and implements and distributes the latest IESB Code of Conduct for Professional Accountants to members. New rules once gazetted will further clarify types of misconduct which may bring about investigative actions.
Initiation of Proceedings 3. Both a "complaints-based" and an "information-based" approach are adopted.	Yes	The most common approach used is the complaints-based approach. Enactment of the new PAAB Bill will promote usage of the information-based approach.
4. Link with the results of QA reviews has been established.	Yes	Some of the complaints investigated are referrals from the QA reviews process. The investigation process allows for linkages to the QA reviews results
Investigative process 5. A committee or similar body exists for performing investigations.	Yes	The Investigations Committee (ICOM) is a sub-committee of the PAAB guided by formalised Terms of Reference

MISSION

TO PROTECT THE INTEREST OF THE PUBLIC AND ENHANCE THE INVESTOR CONFIDENCE IN NAMIBIA THROUGH THE PROVISION OF REGULATORY OVERSIGHT OF THE PUBLIC ACCOUNTING AND AUDITING PROFESSION IN ACCORDANCE WITH INTERNATIONALLY RECOGNISED STANDARDS AND PROCESSES



Requirements	PAAB's System	Comments
	Yes No Partially	
6. Members of a committee are independent of the subject of the investigation and other related parties.	Yes	Members declare their independence at each meeting of ICOM. Where there are instances of conflict of interest, ICOM members recuse themselves or are asked to do so by the Chairperson
Disciplinary process 7. A separate disciplinary committee/entity exists to make disciplinary decisions on referrals from the investigation committee.	Yes	An independent Disciplinary Committee reporting to the PAAB board is set up to hear and make a ruling on referrals from the investigation committee.
8. Members of the committee/entity include professional accountants as well as non-accountants.	Partially	The disciplinary committee is chaired by a retired judge or a legal practitioner of not less than 10 years' standing. It consists of other suitably qualified persons appointed by the Board of which the majority may not be registered persons for independence purposes. Independent specialized professional accountants may be co-opted into the committee for disciplinary hearings of for example specialized work such as forensic work done by an auditor.
9. The tribunal exhibits independence of the subject of the investigation and other related parties.	Yes	As above
Sanctions 10. The disciplinary system allows imposing an extensive range of penalties. It is particularly important to include (a) loss of professional designation; (b) restriction and removal of	Yes	The disciplinary system allows imposing an extensive range of penalties ranging from an order directing the respondent to undergo additional education or training; an order suspending the registration or accreditation of the respondent for a specified period of time or until the occurrence of a specified future event,



Requirements	PAAB's System	Comments
	Yes No Partially	
practicing rights; and (c) exclusion from membership.		subject to such conditions as the disciplinary committee may determine; cancellation or suspension of membership ;an order imposing a fine on the respondent and an order imposing any other sanction that the disciplinary committee considers to be appropriate.
Rights of representation and appeal 11. A third appeals body exists which is separate from both the disciplinary committee and investigative committee.	Yes	There is provision for an appeals Committee. The chairperson will be a legal practitioner with 10 years' experience as an admitted legal practitioner or a retired judge; its members must possess knowledge and a minimum of five years' experience in public practice, corporate governance, finance, economics, law or other related fields of expertise
Administrative Processes 12. Timeframe targets for disposal of all cases are set.	Yes	A chronological register of all cases is maintained, with timeframes being set for the conclusion of all cases being cognisant of the fact that some cases may drag due to circumstances beyond our control, for example where a case is before the courts, we cannot proceed with finalizing the case until the legal process has been finalised.
13. Tracking mechanisms to monitor progress in investigation and discipline and related procedures are established.	Yes	The register of cases is used to monitor progress on all cases. This is updated by the investigator and tabled at all ICOM meetings
14. Records of investigations and disciplinary processes are established.	Yes	Records are maintained. Currently all our records are manual (our investigations department is fairly new) but there are



Requirements	PAAB's System	Comments
	Yes No Partially	
		plans to implement an electronic record keeping system in the near future
Public Interest Considerations 15. Activities are supported to ensure that the public is aware that an investigative and disciplinary system exists in the jurisdiction.	Yes	Meetings with stakeholders are being done including promotional activities (such as advertisements and newspaper articles in the press) to sensitize the public on the investigative and disciplinary aspect of the PAAB mandate
16. A process for the independent review of complaints on which there was no follow-up is established.	Yes	All complaints are currently being dealt with. However, should there be no follow ups, a process will be established for an independent review of such complaints. Through the African Forum of Independent Accounting & Auditing Regulators (AFIAAR) there are plans underway to establish a peer review system to enable an independent review of our operations including investigations.
17. The results of the investigative and disciplinary proceedings are made available to the public.	Yes	Currently our annual report (which is a public document) highlights summaries of investigations and disciplinary issues for the year. There are plans to establish a quarterly newsletter through which the results of the investigative and disciplinary proceedings will be made public. This will also be published on our website.
Liaison with Outside Bodies 18. There is an appropriate process for liaison with outside bodies on possible involvement in serious crimes and offences.	Yes	The PAAB has an existing Memorandum of Understanding (MOU) with IRBA of South Africa(neighbor). The PAAB liaises with IRBA considerably on current cases where necessary.



Requirements	PAAB's System	Comments
	Yes No Partially	
Regular review of implementation and effectiveness 19. Regular review of implementation and effectiveness of the system are performed and corrective actions are implemented.	Yes	Through the African Forum of Independent Accounting & Auditing Regulators (AFIAAR) there are plans underway to establish a peer review system to enable an independent review of our operations including investigations. This will include effectiveness of the system including recommendations for improvement.

QA Review System Operated by PAAB

Requirements	Y	N	Partially	Comments
Scope of the system 1. At a minimum, mandatory QA reviews are required for all audits of financial statements.	Y			Our Quality Assurance Methodology ensures that all audits of financial statements are reviewed on a three years cycle and less for re-reviews.
Quality Control Standards and Other Quality Control Guidance 2. Firms are required to implement a system of quality control in accordance with the quality control standards.	Y			The PAAB has adopted the latest International Standard on Quality Control (ISQC 1) for use in Namibia. Firms are required to implement it. Quality reviews for firms are done based on the latest ISQC1 and other related ISA's focusing on leadership responsibilities, ethical requirements, client acceptance and continuance procedures, human resource policies and procedures, engagement performance and monitoring.
3. Most up to date versions of ISQC 1 and other relevant ISA are adopted as the quality control standards.	Y			The PAAB has adopted the latest International Standard on Quality Control (ISQC 1) for use in Namibia. Firms are required to implement it. Quality reviews for firms are done based on the latest ISQC1 and other related ISA's focusing on leadership responsibilities, ethical requirements, client acceptance and continuance procedures, human resource policies and procedures, engagement performance and monitoring.



Requirements	Y	N	Partially	Comments
4. Member Body [ICAN] assists firms in understanding the objectives of quality control and in implementing and maintaining appropriate systems of quality control.	Y			Yes
Review cycle 5. A cycle-based, risk-based, or a mixed approach for selecting firms for QA review is used.	Y			A cycle approach is used wherein over a three year cycle each firm/partner is reviewed with failures leading to re-reviews within a year
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).	Y			A cycle approach is used wherein over a three year cycle each firm/partner is reviewed with failures leading to re-reviews within a year
QA Review Team 7. Independence of the QA Team is assessed and documented.	Y			The quality assurance function is outsourced from a sister country therefore independence is not an issue.
8. QA Team possesses appropriate levels of expertise.	Y			The PAAB assesses and ratifies the members of the QA team
Reporting 9. Documentation of evidence supporting the quality control review report is required.	Y			The QA team maintains documentary evidence supporting the quality control review reports
10. A written report is issued upon conclusion of the QA review and provided to the firm/partner reviewed.	Y			Indeed, a written report is given and discussed with the relevant partner/firm on the conclusion of the review
Corrective and disciplinary actions 11. Reviewed firms/partners are required to make timely adjustments to meet recommendations from the review report.	Y			Written confirmations for corrective action plan are obtained from all reviewed partners/firms



Requirements	Y	N	Partially	Comments
12. QA review system is linked to the Investigation and Discipline system.	Y			Some of the complaints investigated are referrals from the QA reviews process. The investigation process allows for linkages to the QA reviews results
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.	Y			Yes
Regular review of implementation and effectiveness 14. Regular reviews of implementation and effectiveness of the system are performed.			Partially	Through the African Forum of Independent Accounting & Auditing Regulators (AFIAAR) there are plans underway to establish a peer review system to enable an independent review of our operations including quality assurance. This will include effectiveness of the system including recommendations for improvement