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[1] and implementation[2] of international standards and other pronouncements issued by independent standard-setting boards under the auspices of IFAC as well as by the International Accounting Standards Board (IASB); and to establish a Quality Assurance (QA) review and Investigation and Disciplinary (I&D) systems.

IFAC Members and Associates conduct a self-assessment against the requirements of SMOs and identify areas where improvements are needed. Based on the results of the assessment, Members and Associates develop an SMO Action Plan to (a) demonstrate how they fulfill the requirements of the SMOs and (b) where some requirements are not yet addressed, to present plans towards their fulfillment.

SMO Action Plans are designed to be ever-green documents that provide a comprehensive description of the accountancy profession and its legislative and regulatory environment in the jurisdiction as well as the actions undertaken by IFAC Members or Associates to support adoption and implementation of international standards and best practices.

Regular updates of the SMO Action Plans are required as part of the IFAC Member Compliance Program.

Use of Information

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

ACTION PLAN

IFAC Member:	The Iraqi Union of Accountants & Auditors Board (IUAAB)
Last Updated:	June 25, 2021
Next Update:	June 25, 2024

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[1] *Adoption* is concerned with the decision that international standards are appropriate for use in specific national financial reporting environments and with the actions necessary to effect those decisions, including incorporation into national requirements or requiring the use of international standards through law. Adoption may include a process to review draft international standards, translation, public exposure of proposed standards, approval, incorporation into national requirements as necessary, and promulgation of final standards, and, where applicable, a convergence process to eliminate or minimize differences between international and national standards.

[2] *Implementation* may include a process to build awareness of the adopted standards, provide relevant education and training, develop or disseminate implementation guidance and any other activities that promote proper understanding and use of the standards in practice.

GLOSSARY

IAASB	International Assurance and Auditing Standards Board
I&D	Investigation and Discipline
IES	International Education Standards
IESBA	International Ethics Standards for Accountants
IFRS	International Financial Reporting Standards
IPSAS	International Public Sector Accounting Standards
IPSASB	International Public Sector Accounting Standards Board
ISQC 1	International Standard on Quality Control 1
ISA	International Standards on Auditing
QA	Quality Assurance
SMEs	Small and Medium Sized Entities
SMOs	Statement of Membership Obligations
SMPs	Small and Medium Practitioners

Accounting and Auditing Legislative Framework

Please describe laws/regulations that define the following accounting and auditing requirements:
Preparation of financial statements: the financial statements should be prepared in compliance with the he Iraqi Unified Accounting System (IUAS). Except the banking sector, should apply the IAS/IFRS.

Standards to be applied: Iraqi Accounting Standards and IAS/IFRS applicable for banking sector.
Standard-setting body: Iraqi Accounting and Auditing Standards Board (IAASB).
Mandatory audits of financial statements: all entities' financial statements must be audited via external auditors appointed by the company's general assembly

Please not that there are several legal conflicts with the IFRS adoption/implementation. The Companies Law No. 21 of 1997 amended in 2004. Article 133: First, states that:

"The accounts of the mixed company shall be subject to control and audit by the Financial Control Bureau. As for the accounts of the private company, they shall be subject to control and audit by auditors appointed by the company's general assembly. Accounts should be consolidated with those of related companies in accordance with international accounting standards unless specifically modified by standards in force in Iraq".

It is clear that there is no strict obligation to apply the IFRS, or there may not be any obligation because of the wording, "unless specifically modified by standards in force in Iraq", since the national accounting standards and the IUAS are in force to be applied by Iraqi companies and foreign companies working in the Iraqi business environment. Moreover, this statement focuses only on the consolidated financial statement.

Furthermore, the Interim Law on Securities Markets, Order no. 74 of 2004, which is still in force. Article 6, Paragraph C-i states that:

"i) The financial statements included in the annual report shall be audited in accordance with international auditing standards by an independent auditor duly licensed in Iraq and shall be presented in accordance with international accounting standards to the extent permissible under the standards in force in Iraq" (ISX, 2004).

Since the Iraqi Accounting Standards are in force in Iraq, there is no real obligation to apply the IFRS in this law, except the banking sector based on the Banking Law No. 94 of 2004.

Moreover, based on the Income Tax Law No. 113, of 1982, Article 60:1, the Keeping Accounting Records Regulation No.2, of 1985 was issued. Under this Act: (1) all companies must keep a general journal, general ledger, inventory records, and correspondence and other records. (2) All records must be kept in Arabic. (3) Use of historical cost and specific depreciation tables are prescribed for evaluation of fixed assets. (4)

Inventory must be evaluated by the lower of cost or net realizable value. (5) All companies must apply the Generally Accepted Accounting Principles (GAAP). (6) Financial statements shall be prepared with reference to the Iraqi Dinar.

Thus, it is clear that the Keeping Accounting Records Regulation conflicts with the application of the IFRS in many points, especially in the mandatory application of the Iraqi GAAP and use of historical cost in evaluating fixed assists and counting for depreciation values.

The Iraqi Unified Accounting System (IUAS) was issued in 1985 by the Federal Board of Supreme Audit of Iraq (FBSAI). The IUAS was built on several principles and assumptions, some of which, to some degree, are consistent with the IFRS. There are eight accounting principles, four accounting assumptions and three exceptions: The accounting principles are: (1) historical cost; (2) matching between revenues and expenses principle; (3) accrual basis; (4) consistency; (5) revenue recognition on receipt; (6) financial data; (7) objective evidence; (8) sufficient disclosure. The accounting assumptions are the premises of incorporeal personality; continuity; the stability of currency value and the periodicity of financial statements. The accounting exceptions are relative importance; conservatism and giving priority to economic substance over legal form (FBSAI, 2011). The IUAS is applicable to public sector entities; the mixed sector; cooperative organizations; and the private sector by instruction No. 1 of 1998 issued by the Ministry of Commerce

Regulation of the Accountancy Profession

The professional bodies in Iraq are:
- The Federal Board of Supreme Audit of Iraq (FBSAI). Established by the regulation No. 31 of 2011. The highest controlling body in Iraq. Responsible for auditing both state and mixed sectors in Iraq.
- The Iraqi Union of Accountants & Auditors (IUAA). Established by the regulation No. 185 of 1969, proposed by the Ministry of Commerce, amended by the regulation No. 77 of 1973. The IUAA run by the Iraqi Union of Accountants & Auditors Board (IUAAB).
- Council of Profession Monitoring and Auditing of Accounting in Iraq (CPMAAI) control the auditing practices (external auditing) in Iraq. External auditors should comply with the Profession of Monitoring and Auditing Regulation No. 7 of 1984, amended by the regulation No. 22 of 2000.
- Iraqi Accounting and Auditing Standards Board (IAASB), established by the instruction No. 1 of 1995. The IAASB issued just 14 accounting standards, the last one is 'Accounting for investment' at 07/05/2001.

As for professional accountants should have a bachelor's degree in accounting to be eligible for the membership of the IUAA. As for auditors (external auditors) should be licensed and graduated from a specialist institute, such as the Arabic Institute of Certified Public Accountants.

As for accountants, the preparation of financial statements, the IUAA is the authoritative body that have the right to permit licenses for professional accountants. Whereas, external auditors should be licensed from the FBSAI after being qualified. FBSAI is a government agency, which permit the auditing license. External auditors should be qualified from one or more of the

External auditors should adhere to the ethical code of the auditing profession in Iraq. The CPMAAI is the authoritative comity that observe and monetary the implementation of the auditing ethical code. There is no tolerance for any valance of the auditing ethical code. The IUAA established the CPMAAI.

- o Licensing of the accountancy professionals; the IUAA is the authoritative body for accountancy profession, whereas, the FBSAI is

the authoritative body for auditing profession.

o   Maintaining registries of the accountancy professionals; the IUAA accountancy profession, and the Association of Certified Public Accountants in Iraq

o   Monitoring of performance (QA review system) of professional accountants; the CPMAAI responsible for monitoring of external auditors' performance and the application of the ethical code and following the Profession of Monitoring and Auditing Regulation No. 7 of 1984.

o   Establishing rules (CPD, technical standards, etc.); the Iraqi Accounting and Auditing Standards Board (IAASB) established by the FBSAI and responsible for issuing accounting and auditing standards. However, the IAASB follow the IAS/IFRS from its establishment and refer to follow the IAS/IFRS if there are no national standards. IAASB issued 14 just accounting standards before 2003, and there is any update or issuance new accounting standards. As clearly stated, these 14 accounting standards are derived from IAS/IFRS, as well, following the IAS/IFRS in all areas not covered by Iraqi standards. As for the Auditing Standards, Iraq follow the International Standards for Auditing.

Action Plan Subject: SMO 1–Quality Assurance
Action Plan Objective: Maintaining alignment with SMO 1 requirements

Background:

Please note that the Quality Assurance (QA) review system was established based on the IUAA regulation No. 185 of 1969. It designed to be performed by the Quality Assurance & Inspection Committee (QAIC) in 2003. The QAIC is formally independent and supported by the IUAA Board (IUAAB). All categories of auditors are subject to QAIC oversight. The International Standard on Quality Control (ISQC) 1 and the International Standard on Auditing (ISA) 220 have been adopted and the QA review system which is cycle-based covers compliance with these standards. The QA review system may need to be slightly modified to incorporate all requirements of SMO 1. the IUAA will take the necessary actions to ensure that the QA review system meets the revised requirements. Some actions have been taken, such as, developing a formal communication means and training programs. The scope of QA review system is All auditing and accounting firms. Moreover, the IUAAB interduces instructions that ensure the compliance with professional behaviors, performance, and implementing the control standards. Also, the QA review team consists of five members, the chief is CPA. The review cycle is yearly, the QA team submit his report to IUAAB. The IUAAB takes the required actions based on the QA's report.

Self-Assessment against the Main Requirements of SMO 1

Requirements	Y	N	Partially	Comments
Scope of the system 1. At a minimum, mandatory QA reviews are required for all audits of financial statements.	x			
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.	x			
3. Most up to date versions of ISQC 1 and other relevant ISA are adopted as the quality	x			

Requirements	Y	N	Partially	Comments
control standards.				
4. Member Body assists firms in understanding the objectives of quality control and in implementing and maintaining appropriate systems of quality control.	x			
Review cycle 5. A cycle-based, risk-based, or a mixed approach for selecting firms for QA review is used.	x			Public interest entities are out of the scope of QA reviewing system. They under the scope of the FBSAI, as explained earlier.
6. For cycle-based approach, quality control reviews are required to take place at least every six years (and every three years for audits of public interest entities).	x			
QA Review Team 7. Independence of the QA Team is assessed and documented.	x			
8. QA Team possesses appropriate levels of expertise.	x			
Reporting 9. Documentation of evidence supporting the quality control review report is required.	x			A written report is issued upon conclusion of QA review & provided to the firm to make the correction actions if it is need.
10. A written report is issued upon conclusion of the QA review and provided to the firm/partner reviewed.	x			

Requirements	Y	N	Partially	Comments
Corrective and disciplinary actions 11. Reviewed firms/partners are required to make timely adjustments to meet recommendations from the review report.	x			
12. QA review system is linked to the Investigation and Discipline system.	x			
Consideration of Public Oversight 13. The body responsible for QA reviews cooperates with its oversight body and shares information on the functioning of the QA review system, as needed.	x			
Regular review of implementation and effectiveness 14. Regular reviews of implementation and effectiveness of the system are performed.	x			

Action Steps:

1. SMO 1 Component	Start Date	Estimated Completion Date	Action	Resource
2. QAIC established the QA review system for IUAA members. The QAIC completed 100 quality assurance reviews in 2003.	**2003**	**2003**	*QAIC*	**IUAA**
3. A Peer Review system to Audit & Accounting Firms has been adopted.	**2003**	**Ongoing**	**QAIS**	**IUAA**
The scope of the QA review system includes; Individual Financial Statement Preparers, Individual Certified Public Accountants (CPA - Auditors), Auditing Firms, and Accounting Firms.	**2004**	**Ongoing**	**QAIS**	**IUAA**

1. SMO 1 Component	Start Date	Estimated Completion Date	Action	Resource
At average, 200 auditing firms were reviewed during a year.				
QAIC implemented Continuous Professional Development (CPD) courses on ISA 220 and ISQC 1 for IUAA members. The courses also aim to enhance the quality of audits through; the general policies and procedures for audit practices, the procedures related to work authorization and use of assistants, the Quality Control policies (professional requirements, skills & experiences, distribution of auditing tasks, supervision, acceptance or refusal of clients, monitoring & follow up). In addition, specific guidance materials have been developed to assist auditors with the implementation of the quality control standards.	**2005**	**Ongoing**	Training & Continuous Professional Development Committee (TCPDC) & QAIS	Consultancy Office by IUAA Staff
4. Perform a workshop to raise awareness about the requirements of SMO 1.	**2014**	**Ongoing**	QAIC	IUAAB
5. Monitor the QA review system as per SMO 1 for any changes in order to modify plans as needed.	**2014**	**Ongoing**	QAIC	IUAAB
6. Review SMO 1 and compare its requirements with the requirements of QAIC program.	**2014**	**Ongoing**	QAIC	IUAAB
7. Consider possible areas of non-compliance with SMO1 and suggest recommendations for enhancing compliance.	**2014**	**Ongoing**	QAIC	IUAAB
8. Make adjustments (if necessary) to ensure alignment with revised SMO 1.	**2014**	**Ongoing**	QAIC	IUAAB

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

Action Plan Objective: Supporting implementation

Background:

Please note that in Iraq:

1. The Ministry of Higher Education is responsible for adopting the pre-qualification education requirements. Universities are responsible for delivering the undergraduate accounting programs. IUAA is a member of the Accounting Sector Committee (ASC), which is responsible for accountancy education and as such plays a role in supporting the alignment of university accounting programs with International Education Standards (IESs). The ASC's focus is on developing accounting curricula for universities and on implementing monitoring mechanisms to ensure compliance with these requirements.

2. In Iraq IESs are completely adopted. This adoption is subject to review and assessment.

3. The Arab Institute of Certified Public Accountants (ARICPA) is responsible for the implementation of the professional accountancy education program and certification. ARICPA was established in Iraq in 1984 and obtained responsibility for certification from the Iraqi government in 1987. The institute's area of specialization covers international qualifications. The period of study in ARICPA is 5 years after graduating from university and includes 3 years of theoretical study and 2 years for practical research. In order to obtain an accountancy certification from the ARICPA, candidates must complete 4500 hours of training in accounting and auditing and a 2-year vocational training (3000 hours) specifically on audit. Final assessment (Comprehensive Examination) is then organized at the end of the professional accountancy education program, before candidates for membership receive their certification.

4. IUAA is responsible for Continuing Professional Development (CPD) and assumes this responsibility through its Training & Continuous Professional Development Committee (TCPDC), Consultancy Office (CO) and in coordination with the International Association of Certified Public Accountants (IACPA) in IUAA. The IACPA is a sub-set of the IUAA representing those professionals who maintain CPA recognition and undertake the audit function. IUAA requires auditors to complete 20-40 hours of CPD courses. Non-auditors are not required to complete CPD courses.

5. Law of IUAA (No. 185, 1969) sets pre-qualification and post-qualification requirements for professional accountants in Iraq & some other regulation which issued in the light of the Law.

6. IUAA had established by the Law (No. 185, 1969) and according this law all accountants required to be members of IUAA.

7. International Baghdad Prize ($10000) for the best PHD.

8. Organize workshops for professional accountants by IUAAB, CPD, and ASC.

9. Organize meetings with ASC to develop the Accounting education by taking the professional requirements in the educational subjects for all the educational levels.

10. Organize meetings & workshops with ASC to develop the accounting & auditing curriculums to meet the modern international requirement in this side

Action Steps:

9.　　IES Requirement	Start Date	Estimated Completion Date	Action	Resources
10.　ARICPAB undertakes analysis and modifications of its programs to ensure alignment of syllabi with IES 7, Continuing Professional Development: A Program of Lifelong Learning and Continuing Development of Professional Competence.	**2010**	**Ongoing**		ARICPAB
11.　Conduct a review comparing SMO 2 (IESs) requirements with the current programs delivered by IUAA's TCPDC, CO. Conduct these activities in coordination with the IACPA.	**2014**	**Ongoing**		IUAAB
12.　Consider where areas of non-compliance with SMO 2 may exist and suggest recommendations for enhancing compliance.	**2014**	**Ongoing**		IUAAB
13.　Make adjustments (if necessary) to ensure alignment with SMO 2.	**2014**	**Ongoing**		IUAAB
Organize a workshop about SMO 2 requirements.	**2014**	**2014**		Accounting departments in the Iraqi universities
Organize a workshop about the International Requirements of Quality Accounting Education under SMO 2 & IAESB.	**2016**	**2016**		Accounting departments in the Iraqi universities
Organize a meeting for ASC in IUAA to study the Requirements to develop accounting education in order to meet the International Requirements.	**2016**	**2016**		Accounting departments in the

9. IES Requirement	Start Date	Estimated Completion Date	Action	Resources
				Iraqi universities
Organize workshop to promote adoption of the revised IES in the educational process at all its level (Undergraduate, Postgraduate, and the professional development.	**2018**	**2018**		IUAAB
Organize meeting & works shops (weekly) with ASC to develop the accounting & Auditing curriculums by taking in the consider the contemporary global changes in this side.	**2019**	**2019**		IUAAB
Continue to monitor & review new Pronouncements issued by the International Accounting Education Standards Board (IAESB) and incorporate them into the local accounting education requirements by workshops, training Programs Continuing education programs	**2019**	Ongoing		IUAAB
Review and provide comments on the Exposure Drafts issued by the International Accounting Education Standards Board (IAESB).	**2019**	Ongoing		IUAAB
IUAA will review the requirements of the revised SMO 2 and take actions to ensure that IUAA meets the revised requirements.	**2019**	Ongoing		IUAAB
Perform periodic review of IUAA's response to the IFAC Compliance Self-Assessment questionnaires and update sections relevant to SMO 2 as necessary. Once updated, inform IFAC Compliance staff about the updates in order for the Compliance staff to republish updated information.	2019	Ongoing		IUAAB

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

Action Plan Objective: Supporting implementation

Background:

Please note that in Iraq, based on the IUAA law no 185 of 1969, the body responsible for setting auditing standards is the ((Iraqi Accounting and Auditing Standards Board IAASB (not working since 2001)). Audit firms are required by national regulation to use all the International Standards on Auditing (ISAs) in the statutory audits of listed and non-listed companies and are required to follow the Iraqi Guide of Auditing (IGA) for the audits of public sector entities.

The IUAA, merely, is the professional body that have the authority to recommend the adoption of auditing standards (for both the public & private sector). The IUAA has established a Committee which is responsible for translating and interpreting ISAs (for training purpose). The version of ISAs currently applied is the most recent Arabic translation of ISAs.

The IUAA established IACPA in 2005 in order to support the auditors who are part of its membership and to develop their capabilities in-line with IAASB Pronouncements, through various training and education programs.

The IACPA training and education programs commenced in 2005 and focused on ISAs implementation as well as the application of the Iraqi Guide of Auditing (IGA). The training programs are continuing till now and they are conducted in a regularly basis. As well, they were designed to accommodate courses of new and/or modified standards. In 2007, in recognition of the increasingly important role of technology in the conduct of audits, IACPA developed a training program of auditing computerized data.

To support the adoption and implementation of ISAs in Iraq, the IUAA and IACPA are working to provide Arabic language translation of ISAs. All ISAs are adopted by the IUAA. The IUAA commits its member to follow the ISAs and refer to that in their repots in a clear manner. It done continually, and it is verified by IUAA's staff. For any non-compliance case, it should be referred to the disciplinary committee to take the appropriate action based on the IUAA law and its instructions, which is issued in this regard.

Action Steps:

14. ISA	Start Date	Estimated Completion Date	Action	Resources
15. Adoption of the ISAs	June 2005	Ongoing	Contribute to establishing an ongoing process for the adoption of ISAs.	TCPDC & IACPA
16. Adoption of the ISAs	June 2005	Ongoing	Continue provision of training program for IUAA members (CPA) on the topic of ISAs. Ensure inclusion of up to date information – especially as it relates to new/modified standards.	TCPDC & IACPA
17. Adoption of the ISAs	September 2005	Ongoing	Continue provision of training program for IUAA members (CPA) on the application of IGA (1-6). Ensure inclusion of up to date information – especially as it relates to new/modified requirements.	TCPDC & IACPA
18. Adoption of the ISAs	June 2007	Ongoing	Continue provision of training program for IUAA members (CPA) on auditing computerized data. Ensure inclusion of up to date information – especially as it relates to new technologies or techniques.	TCPDC & IACPA
19. Adoption of the ISAs	July 2013	January 2014 Completed Ongoing	IUAA and IACPA work to seek permission to use the Arabic language translation of the ISA in coordination with the Arab ARICPA. IUAA will work to ensure that their use of these standards is in-line with the IFAC Translation Policy.	IUAASC & IACPA Staff
20. Obtaining Arabic Translation of ISAs and Disseminating It	January 2013	January 2014 Completed Ongoing	Develop translation program in accordance with IFAC translation policies.	IUAASC & IACPA Staff
21. Obtaining Arabic Translation of ISAs and Disseminating It	2015	2016	Translate & publish ISAs in the Accountant Magazine.	IUAASC & IACPA Staff
22. Obtaining Arabic Translation of ISAs and Disseminating It	2016	2017	Establish and maintain Action Plans to support convergence with IAASB Pronouncements.	IUAASC & IACPA Staff
23. Maintaining Ongoing	Ongoing	Ongoing	Review and provide comments on the Exposure Drafts	IUAASC & IACPA

14. ISA	Start Date	Estimated Completion Date	Action	Resources
Processes			issued by the IAASB.	Staff
24. Maintaining Processes Ongoing	Ongoing	Ongoing	IUAA will review the requirements of the revised SMO 3 and take actions to ensure that IUAA complies with the revised requirements.	IUAASC & IACPA Staff
25. Maintaining Processes Ongoing	2018	2018 Ongoing	Perform periodic review of IUAA's response to the IFAC Compliance Self-Assessment questionnaires and update sections relevant to SMO 3 as necessary. Once updated, inform IFAC Compliance staff about the updates in order for the Compliance staff to republish updated information.	IUAASC & IACPA Staff

Action Plan Subject: SMO 4–IESBA Code of Ethics for Professional Accountants
Action Plan Objective: Achieving full adoption

Background:

* Please note that the IUAA is responsible for drafting the ethical requirements to its members. The IUAA issued its Code of Ethics no.1 at 12/12/1983.

IUAA's Code of Ethics contains six chapters:

- The first chapter revolves around the nature of the profession and independence of practitioners.
- The second chapter deals with professional security & confidentiality.
- The third chapter deals with announcements & advertisements.
- The fourth chapter addresses professional fees.
- The fifth chapter is allocated to consequences of violations & negligence.
- The sixth chapter focuses on general judgments

The IUAA's Code of Ethics focuses on the organization of professional relationships within practices and on influencing professional accountants' and auditors' behavior of the IUAA members. It focuses on professional security and professional behaviors.
IUAA's Code of Ethics was revised to harmonize with the last version of IESBA code.
The IUAA's ongoing objective is to align its Code of Ethics with the Code of Ethics issued by the International Ethics Standards Board for Accountants (IESBA). IUAA continually updates its Code of Ethics to comply with modifications to the IESBA Code. The IUAA shared the adjusted code to other related parties, in order to now their views and stand-points to take them into the IUAA's consideration.

The adjusted code have taken in the consideration IESBA code requirements for professional behavior.

Action Steps:

26. International Code of Ethics	Start Date	Estimated Completion Date	Action	Resources
27. Adopting a Code of Ethics which is in	2005	June 2013 Completed Ongoing	Establish a committee to study, review, and compare IUAA's Code of Ethics with the IESBA Code of Ethics. Consider feasibility of fully adopting the IESBA Code.	TCPDC

26. International Code of Ethics	Start Date	Estimated Completion Date	Action	Resources
Compliance with the IESBA Code of Ethics through Modifications to the Current IUAA Code of Ethics.	June 2013	June 2014 , Completed Ongoing	Develop recommendations for enhancing the IUAA's Code of Ethics in-line with the IESBA's Code	IUAAB
	June 2014	June 2014 Completed Ongoing	Develop recommendations for enhancing the IUAA's Code of Ethics in-line with the IESBA Code of Ethics.	COE Issued by IESBA & IUAA, IUAAB
	June 2015	June 2015 Completed Ongoing	Begin implementation of recommendations to enhance alignment of current Code of Ethics with the IESBA's Code.	COE Issued by IESBA & IUAA, IUAAB
28. Assisting Members with the Implementation of the Code of Ethics	2016	Ongoing	Continue provision of training program for IUAA members on the topic of Code of Ethics. Ensure inclusion of up to date information – especially as relates to new/modified standards.	IUAAB
	Ongoing	Ongoing	Incorporating the Code of Ethics into CPD program to assist IUAA members to apply the Code of Ethic	IUAAB
29. Maintaining Ongoing Processes	Ongoing	Ongoing	Continue to monitor, review & adjust the Code of Ethics to meet IESBA Code of Ethics requirements through many procedures and actions doing by a specialized committee which is responsible of identifying IUAA members with the ethical requirements contained in the code.	IUAAB
	2018	Ongoing	IUAA will review the requirements of the revised SMO 4 and take actions to ensure that IUAA meets the revised requirements.	IUAAB
30. Review of IUAA's Compliance Information	Ongoing	Ongoing	Perform periodic review of IUAA's response to the IFAC Compliance Self-Assessment questionnaires and update sections relevant to the SMO 4 as necessary. Once updated, inform IFAC Compliance staff about the updates in order for the Compliance staff to republish updated information.	IUAAB

Action Plan Subject: SMO 5–International Public Sector Accounting Standards and Other Pronouncements Issued by the IPSASB
Action Plan Objective: Promoting adoption

Background:

> **<u>Please note the public sector is out of the IUAA scope.</u>** The Federal Board of Supreme Audit of Iraq (FBSAI) is the referencing body that control the public sector accounting practices, which is linked with prime minister office. **Therefore, we cannot answer the question in this section**.
>
> The Ministry of Finance is responsible for adopting public sector accounting standards and has **not** yet adopted the International Public Sector Accounting Standards (IPSASs). IUAA's Association of Internal Auditors (AIA), a sub-set of the IUAA membership with a focus on internal auditing, is responsible for raising IUAA members' awareness of IPSASs and assisting them with their implementation. AIA provides training programs for accountants & auditors working in Public Sector Units (IUAA members).
>
> In Iraq we use the two accounting systems, which are;
>
> -The public entities (self - financing) using the Iraqi Unified Accounting System (IUAS) under the accrual basis.
>
> -The governmental entities (governmental funding) using the Governmental Accounting System (GAS) under the cash basis.
>
> The accounting process & financial statements of these entities are done according to IPSAs.
>
> IUAA focuses on raising awareness of IPSASs and promoted the adoption of the IPSASs. Many meetings were organized with several of Iraqi Ministries.

Action Steps:

31. IPSAS	Start Date	Estimated Completion Date	Action	Resources
32. Continuing to Develop and Maintain an Active Program for Adoption and Implementation of	**2013**	**2013**	Continue to promote the development of an active program for adoption and implementation of IPSASs. This done by; - Joint committee attending monthly meetings to review the procedures and show the basic requirements of the adoption of IBSASs.	TCPCD& IACPA

31. IPSAS	Start Date	Estimated Completion Date	Action	Resources
IPSASs in Iraq			- Organize workshops to declare how and the usefulness of IPSASs adoption. - Design cost accounting system for the Ministry of Transportation's State companies - Provide Conciliation talks to Agricultural Ministry and other Iraqi ministries.	
	2013	**Ongoing**	Continue to promote the adoption of IPSASs in coordination with the Ministry of Finance & Ministry of Planning and by organizing workshops and training programs focusing on IPSAS 1, IPSAS 2, IPSAS 3, and IPSAS 4.	IUAAB
	2013		Organize workshop to provide accountants and auditors (from the Ministries, public and private companies) in Iraq with a background on IPSASs. The workshop is focused on the importance, the requirements and the implementation of IPSASs.	TCPCD & AIA
33.	**2013**	**2013**	Organize workshop about Anti-Corruption in the banking sector.	CO, ICCGI & AACI
34. Attending International Forum on Public Sector Accounting	**2013**	Completed	Organize workshop about of Internal Control & Risks Management in banking sector.	CO, ICCGI & AACI
	April 2011	Completed	Attend Symposium (1) on the role of control & internal audit in the prevention of managerial & financial corruption.	IFAC, IUAA, LACPA, OECT & JACPA, QACPA ,PACPA, ARADO, IRE/IBR (Belgium) & FIDEF, Work Paper & Applied Work Paper From Iraqi Ministries
	June 2011	Completed	Attend international Symposium (2) on developing governmental performance & improving the quality of services.	
	July 2011	Completed	Attend international Symposium (3) on budget & the improvement of the quality of fundamental performance.	
	September 2011	Completed	Attend international Symposium (4) on proper use of administration services.	
	October 2011	Completed	Attend international Symposium (5) on provincial councils' finance.	
	December 2011	Completed	Attend international Symposium (6) on distinctive	

31. IPSAS	Start Date	Estimated Completion Date	Action	Resources
			organizations in the environment. It aims to show the professional requirements for accountants &auditors	
	February 2012	Completed	Attend international Symposium (7) on the role of social responsibility in achieving sustainable development.	
	April 2012	Completed	Attend international Symposium (8) on protecting public funds and putting an end to bribery and embezzlement.	
	June 2012	Completed	Attend international Symposium (9) on the role of the Board of Supreme Audit, General Inspectors, Commission of Integrity, Departments of Control Internal Audit & Certified Public Accountants in Stopping the Administrative and Financial Corruption in the Public, Mixed & Private Sectors.	
	September 2012	Completed	Attend international Symposium (10) on Rational Administration: a Basic Rule to Develop the Fundamental Performance.	
	December 2012	Completed	Attend international Symposium (11) on the correction of financial administrations, the budget, and rationalization of public expenditures for stopping administrative & financial corruption.	
	December 2012	Completed	Organize an International Symposium (12) on the correct methodology for financing administration.	
	March 2013	Completed	Attend international Symposium (13) on The Accounting and Auditing Profession and Its Role in Protecting the Public Fund.	
	June 2013	Completed	Attend international Symposium (14) on IPSAS; A toll for financial management reform to prevent the administrative and financial corruption.	
	September 2013	September 2013	Attend international Symposium (15) on Budget and the rationalization of the public expenditure to improve institutional performance.	
	December 2013	December 2013	Attend international Symposium (16) on the Role	

31. IPSAS	Start Date	Estimated Completion Date	Action	Resources
			of Internal Control in Preventing Administrative and Financial Corruption.	
	April 16-17 2014	April 16-17 2014	Attend the first General Annual Arabic Conference on "Accountancy between the Challenges and the Ambition" under the auspices of the Prime Minister – the Republic of Iraq.	
	June 18 2014	18-June 2014 Completed	Attend international Symposium (17) on the reliance of adoption of IPSASs and on the development of the accounting practices.	
	October15-16-2014	15-16-October 2014 Completed	Attend the first General Annual Arabic Forum on IAS, IFRS, IPSAS&ISA Important- Response Requirements Under the auspices of the Prime Minister of the Republic of Iraq.	
	December 24- 2014	24-December 2014 Completed	Attend international Symposium (18) on the Budget, and the correction of financial administrations, to fulfill the sustainable development	
	April 15-16 2015	April 15-16 2015	Attend the Second Accounting Annual Arabic Conference on "Accounting & Auditing are A basic rule to Managerial Correction & Development"	
	June 10 2015	June 10 2015	Attend international Symposium (19) on the Developing &Updating of Accounting Systems &Application to Face the Environmental	
	Oct.7-8 2015	Oct.7-8 2015	Attend the Second Accounting Annual Arabic Forum on IAS, IFRS, IPSAS&ISA the Actual - Response Requirements	
	Dec.9-10 2015	Dec9 2015	Attend international Symposium (20) on the Developing &Updating of Budget to Rationalize the Public Expending	
	13,14 April/2016	13,14 April/2016	Attend the third Accounting Annual Arabic Conference on Reform of the Accounting &Auditing systems to face the Environmental challenges.	

31. IPSAS	Start Date	Estimated Completion Date	Action	Resources
35.	19-20 oct. 2016	19-20 oct. 2016	Organize international Symposium (22) on the professionalization of accounting applications and reform the financial administration .	
	1-2 June 2016	1-2 June 2016	Organize the Third Accounting Annual Arabic Forum on the refinance of adoption of IAS, IFRS, IPSAS & ISA on the managerial and financial Reform and developing.	
	7-8-Dec 2016	7-8-Dec 2016	IUAA will continue to promote IPSASs throughout; - Coordination with the decision makers in the government. - Translate IPSASs to Arabic language. training programs and workshops.	IUAAB
36.	Ongoing	**ongoing**	IUAA will review the requirements of the revised SMO 5 and take actions to ensure that IUAA meets the revised requirements.	CO & ICCGI Staff
37. Review of IUAA's Compliance Information	2019	**ongoing**	Perform periodic review of IUAA's response to the IFAC Compliance Self-Assessment questionnaires and update sections relevant to SMO 5 as necessary. Once updated, inform IFAC Compliance staff about the updates in order for the Compliance staff to republish updated information.	IUAAB

Action Plan Subject: SMO 6–Investigation and Discipline
Action Plan Objective: Maintaining alignment with SMO 6 requirements

Background:

Please not that according to the IUAA law (number 185, of 1969, Article 28), the IUAA's Discipline Committee (DC) oversees monitoring IUAA members' compliance with rules regulations, and standards. All professional accountants must be member in IUAA, so all of them are covered by IUAA's I&D system, The DC is comprised of 5 members with more than 15 years of experience in accounting and auditing. These individuals are elected for positions on this committee every 2 years. In the case of an infringement (identified through monitoring) or outside complaint, the matter is considered by the IUAA (DC), whose procedures are defined by the law. After DC investigates the matter, if a violation is determined to have occurred, the case is transferred to specialized courts where sanctions may be applied. If a serious crime is determined to have been committed, representatives of the Justice Council may become involved in this process. Those convicted of a violation have the ability to appeal judgments

The IUAA law had been adjusted (with the system for investigation and disciplining which adjusted in line with SMO6 requirements) and submitted to Iraqi parliament (IUAA adjusted law still in parliament for approval).

Attending the Annual Council Meeting, the Forums & Workshops of IFAC, IFRSF, AOAAS, IFASS

Self-Assessment against the Main Requirements of SMO 6

Action Steps:

SMO 6 Best Practices	Yes	No	Partially	Comments
(Para #) Scope of the system A system of investigation, discipline and appeals exists for the accountancy profession. The system is operational.	X			All professional members subject to the system.
Information about the types of misconduct which may bring about investigative actions is publicly available.	X			All the information about the types of misconduct is publicly available some of them have been referred to the competent courts.
Initiation of Proceedings	X			Yes, both approaches are adopted in any case the matter subject to verification and investigation to ensure the

Both a "complaints-based" and an "information-based" approach are adopted.				information's accuracy in this light are appropriate action is taken according to the law (IUAA law) and instructions issued in this regard.
Link with the results of QA reviews has been established.	X			Yes, there is a constant coordination between the DC & QULAC, QA reviews output is regarded one recourses of the input to DC actions.
Investigative process A committee or similar body exists for performing investigations.	X			The disciplinary committee (DC) consists of Five members headed by a charterable accountant and are affiliated with IUAAB, its decision challenged by the federal court of cassation.
Members of a committee are independent of the subject of the investigation and other related parties.	X			Yes, there is another committee for investigation.
Disciplinary process A separate disciplinary committee/entity exists to make disciplinary decisions on referrals from the investigation committee.	X			Yes, these two committees, independent from each other.
Members of the committee/entity include professional accountants as well as non-accountants.	X			Yes, it consists many members one of them CAP and other accountants & non accountant.
The tribunal exhibits independence of the subject of the investigation and other related parties.	X			Yes, there is tribunal exhibits independence of the subject.
Sanctions 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.	X			Yes, all of these sanctions in place and applicable.
Rights of representation and appeal A third appeals body exists which is separate from both the disciplinary committee and investigative committee.	X			Yes, there is appeals bode.

Administrative Processes Timeframe targets for disposal of all cases are set.	X			All cases are scheduled in a time frame.
Tracking mechanisms to monitor progress in investigation and discipline and related procedures are established.	X			There is tracking mechanism to investing action & discipline and its procedure wherever it necessary.
Records of investigations and disciplinary processes are established.	X			Yes, all investigations and disciplinary are documented by records and reports.
Public Interest Considerations Activities are supported to ensure that the public is aware that an investigative and disciplinary system exists in the jurisdiction.	X			All IUAA member know that.
A process for the independent review of complaints on which there was no follow-up is established.	X			There is independent review of all complaints which introduced to IUAA.
The results of the investigative and disciplinary proceedings are made available to the public.	X			Yes, the results are available.
Liaison with Outside Bodies There is an appropriate process for liaison with outside bodies on possible involvement in serious crimes and offences.	X			Yes, there is continues liaison with other bodies.
Regular review of implementation and effectiveness Regular review of implementation and effectiveness of the system are performed and corrective actions are implemented.	X			IUAAB always review the implementation to ensure the effectiveness and efficiency of the performance, and a corrective action are take place when it is necessary.

38. SMO 6 Component	Start Date	Estimated Completion Date	Action	Resource
39. Reviewing and Updating the Investigation and Discipline Mechanisms Of IUAA DC to Bring them In-Line with SMO 6	February 2012	Ongoing	IUAAB is working with the DC to enhance the timeliness of the process of I&D. At present, the IUAAB is working to support the DC's efforts to conclude investigations within two (2) weeks.	IUAAB
	August 2012	Completed Ongoing	Study, review, and compare IUAA's system of I&D with the requirements of SMO 6.	IUAAB
	August 2012	Completed Ongoing	Develop recommendations for enhancing alignment of IUAA's I&D system with the requirements of SMO 6.	IUAAB
40. Raising Awareness of I&D Mechanisms	December 2013	December 2013 Completed Ongoing	Design and organize a workshop to promote the importance of compliance with DC mechanisms. Raise the public's awareness of the functioning of the Investigation and Disciplinary mechanisms so that issues it wishes to raise are forwarded to the relevant body	IUAAB
41. Maintaining Ongoing Processes	**2016**	**2019**	IUAA will review the requirements of the revised SMO 6 and take actions to ensure that IUAA's Investigation & Disciplinary mechanisms meet the revised requirements. Providing IUAA members with the new required procedures which IUAA adjusted law consist it.	IUAAB
42. Review of IUAA's Compliance Information	**Ongoing**	**Ongoing**	Perform periodic review of IUAA's response to the IFAC Compliance Self-Assessment questionnaires and update sections relevant to SMO 6 as necessary. Once updated, inform IFAC Compliance staff about the updates in order for the Compliance staff to republish updated information.	IUAAB

Action Plan Subject: SMO 7–International Financial Reporting Standards and Other Pronouncements issued by the IASB
Action Plan Objective: Support implementation

Background:

Please note that the IAS/IFRS are **not** applicable **except** the private banking sector, as explained earlier. Due to legal restrictions, the IUAA cannot impose the IFRS adoption and implementation for listed or unlisted companies. Just the private banking sector must apply the IAS/IFRS according to its regulation. Whereas, other types of companies **must** follow the Iraqi Unified Accounting System. The body responsible for setting local accounting standards is the Iraqi Accounting and Auditing Standards Board (IAASIB) - not working since 2001.

IUAA supports the implementation of IFRSs through the development of education and training courses. This is primarily achieved through the IUAA's development and implementation of the International Financial Reporting Standards Expert (IFRSE) training which is a 9 day (66 hours) course designed for Certified Public Accountants, Financial Managers, and Expert Accountants who are interested in becoming up to date with the application of IFRSs and/or attaining IFRSE certification. The course is designed to ensure that all attendees receive practical guidance in applying IFRSs.

The course combines formal interactive workshops with group sessions. Additionally, participants are subject to assessment in order to get a certification. The course provides the participant with knowledge and practical experience in applying IFRSs. Candidates that pass the exam become IFRSE. In addition to the IFRSE program, IUAA delivers training and education programs for its members.

43. IFRS	Start Date	Estimated Completion Date	Action	Resources
44. Supporting the Implementation of IFRSs in Iraq through IFRS Training	July 2005	December 2005 Completed Ongoing Annually	Organize and deliver IFRSE certification for IUAA Members.	TCPCD Staff
	April 2009	May 2009 Completed Ongoing annually	Design and deliver an IFRS training program for the accountants and auditors working within the Iraqi Ministry of Finance.	TCPCD
	January 2010	February 2010 Completed Ongoing Annually	Design and deliver an IFRS training program and workshop geared towards students studying accounting at the Iraqi Universities.	TCPDC & ARBCPA
	February 2011	March 2011 Completed	Design and deliver an IFRS training program and workshop geared towards university undergraduate	TCPDC &CO &

43. IFRS	Start Date	Estimated Completion Date	Action	Resources
		Ongoing Annually	students in finance and banking programs.	IACPA
	September 2011	November 2011 Completed Ongoing Annually	Design and deliver a Workshop on IFRS for Small and Medium Enterprise (SMEs) tailored for IUAA members	TCPDC & CO & IASPA
	June 2012	August 2012 Completed Ongoing annually	Translate articles on IFRSs to be published in the Accountant Magazine.	IUAASC
	December 2012	January 2013 Completed	Design and deliver a Workshop on IFRS for SMEs for IUAA Members. The workshop provides updates on the standard and information on implementation challenges and success factors.	President IUAA
	January 2005	Ongoing	Design and deliver training course that summarizes IFRS. The program is subject to change based on revisions made to IFRSs and other financial reporting standards.	TCPDC & CO & IACPA
45. Translation of IFRS	2005	Ongoing	Support translation of IFRSs into Arabic.	IUAASC
46. Maintaining Ongoing Processes	Ongoing	Ongoing	Continue to support Iraqi companies in applying IFRSs, and update Action Plan whenever necessary	IUAAB
	Ongoing	Ongoing	Provide feedback to the Exposure Drafts issued by the IASB and monitoring the developments of the international standard-setting process.	IUAAB
	2014	Ongoing	IUAA will review the requirements of the revised SMO 7 and take actions to ensure that IUAA meets the revised requirements.	IUAAB
47. Review of IUAA's Compliance Information	Ongoing	Ongoing	Perform periodic review of IUAA's response to the IFAC Compliance Self-Assessment questionnaires and update sections relevant to SMO 7 as necessary. Once updated, inform IFAC Compliance staff about the updates in order for the Compliance staff to republish updated information.	IUAAB