

BACKGROUND NOTE ON ACTION PLANS

SMO Action Plans are developed by IFAC Members and Associates to demonstrate fulfillment of IFAC Statements of Membership Obligations (SMOs). SMOs require IFAC Members and Associates to support the adoption¹ and implementation² of international standards and other pronouncements issued by independent standard-setting boards under the auspices of IFAC as well as by the International Accounting Standards Board (IASB); and to establish a Quality Assurance (QA) review and Investigation and Disciplinary (I&D) systems.

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

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

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

Use of Information

Please refer to the [Disclaimer](#) published on the Compliance Program website.

IFAC Member:	South African Institute of Professional Accountants (SAIPA)
Approved by Governing Body:	SAIPA Board
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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

APB	Accounting Practices Board
CE	Chief Executive (SAIPA)
CIPC	Companies Intellectual Property Commission
CPD	Continuous Professional Development (SAIPA)
DOE	Department of Education (South Africa)
DOL	Department of Labour (South Africa)
EDCOM	Education Committee (SAIPA)
ETM	Education, Training and Membership Department (SAIPA)
FASSET	Financial and Management Services Sector Education and Training Authority
FRSC	Financial Reporting and Standards Council
IAASB	International Auditing and Assurance Standards Board
IAESB	International Accounting Education Standards Board
IFRS	International Financial Reporting Standards
IMFO	Institute of Municipal Finance Officers
IPSAS	International Public Sector Accounting Standards
IRBA	Independent Regulatory Board for Auditors
ISA	International Auditing Standards
ISRE	International Standards on Regulation Engagements
LEC	Legal, Ethics and Compliance Department (SAIPA)
QAP	Quality Assurance Partner
ROSC	Reports on the Observance of Standards and Codes (World Bank)
SAAA	South African Association of Accountants
SAICA	South African Institute of Chartered Accountants
SAQA	South African Qualifications Authority
SETA	Sector Education and Training Authority
SME	Small and Medium Enterprises
TSC	Technical and Standards Committee (SAIPA)
TSD	Technical and Standards Department (SAIPA)

#	Start Date	Actions	Completion Date	Responsibility	Resource
General Actions					
1.	Ongoing	Review compliance requirements as received from IFAC compliance staff and draft revised Action Plan.	May 2018	ETM Executive	LEC Senior Manager
2.	Ongoing	ROSC (Report on the Observance of Standards and Codes) recommended amongst other things the Regulation of the broader accountancy profession. National Treasury has yet to decide on the best regulation method. Discussions have been held with the professional bodies and a decision is awaited.	TBA (only in discussion phase)	ETM Executive	LEC Senior Manager

Action Plan Subject: SMO 1 - Quality Assurance

Action Plan Objective: Ensure a mandatory quality review programme is in place for those members performing audits of financial statements of, as minimum, listed companies.

#	Start date	Actions	Completion date	Responsibility	Resource
<p>Background:</p> <p>In South Africa, responsibility for the quality assurance of auditors lies with the Independent Regulatory Board for Auditors (IRBA). The Companies Act 71 of 2008 (effective 1 April 2011) introduced a new form of assurance for organizations with a low public interest score i.e. The Independent Review. SAIPA members may now perform an independent review and provide assurance on the financial statements of organizations.</p> <p>In terms of the ROSC report Treasury is encouraged to implement a Regulator for both the auditing and accounting professions. The implementation date is targeted is 2018. The Regulatory Body together with the drafting of the Accountancy Bill will direct how the accountancy profession will be rationalised and restructured.</p> <p>SAIPA and IRBA sit on various committees and stakeholder forums. These include the Accounting Standards Board, Department of Trade and Industry Black Economic Empowerment, Cooperatives Unit, CIPC as well as tax stakeholder forums at South African Revenue Services (SARS).</p>					
<p>Review of SAIPA's Compliance</p>					
3.	June 2015	SAIPA in conjunction with the Professional accounting Bodies (PAOs) has formed a consultative body through FAB to make contributions and submissions to Treasury with respect to both the establishment of the Regulatory Body and the Accountancy Bill.	Ongoing	Education, Training & Membership (ETM) and Technical and Standards Department(TSD) Executives	ETM & TSD Departments
4.	June 2015	SAIPA engaged in collaborative agreements and discussions with SAICA in respect of the rationalisation, regulation and the drafting of the Accountancy Bill.	Ongoing	ETM & TSD Executives	ETM & TSD Departments

5.	Ongoing	SAIPA has served on the SAICA Assurance and Governance Committee	Ongoing	TSD & ETM Executives	TSD Department
Implementation of a QA Review System for Independent Reviews					
6.	Ongoing	SAIPA implemented a system of review of all SAIPA practices in terms of their compliance to ISQC1. This will be managed in terms of a structured roll out plan commencing effective from February 2016. SAIPA is in the process of developing and implementing the following (i) including monitoring and evaluation processes as part of the compliance requirements, (ii) inspect and review the documentation (working papers) supporting the independent review services performed, and (iii) developing a quality assurance checklist for independent review service providers	Ongoing	ETM Executive	ETM & TSD Departments
7.	Ongoing	Update sections relevant to SMO1 as necessary. Once updated, inform IFAC.	Ongoing	Legal, Ethics & Compliance (LEC) Senior Manager	LEC Department
<u>Enhancing QA review system for Independent Reviews</u>					
8.	Ongoing	Conducting training and CPD's for members on (i) IRSE 2400 - Procedures for conducting Independent reviews, (ii) preparation and maintenance of working papers to support Independent review services (iii) ISQC 1 and the development of QA manuals for SMP.	Ongoing	ETM Executive	ETM & TSD Departments
9.	Ongoing	Maintaining a register of practitioners registered to perform Independent Review services and arrange annual monitoring and inspection visits as part of the accreditation of practitioners	Ongoing	ETM Executive and Legal, Ethics & Compliance (LEC) Senior Manager	ETM & LEC Departments

10.	Ongoing	Training of assessors and monitoring officers to ensure that the review and inspection of practitioners meet the requirements standards of SAIPA	Ongoing	ETM Executive	ETM & TSD Departments
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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 independent reviews of financial statements.	X			The QA procedures and working papers inspections forms part of the annual monitoring of the practitioners to ensure the practitioner meet the compliance requirements of SAIPA
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			The development and maintenance of a QA manual or procedure documents is part of the compliance requirements for the practitioners
3. Most up to date versions of ISQC 1 and other relevant IRSE are adopted as the quality control standards.	X			This is ensured by (i) ensuring that ISQC 1 has a minimum of 2 hours as part of the CPD requirement, and (ii) regular CPD intervention training and communications are disseminated to practitioners about changes which affect the performance of engagements
4. Member Body assists firms in understanding the objectives of quality control and in implementing and	X			This is part of the capacity development of the members to maintain the professional standards of the industry

Requirements	Y	N	Partially	Comments
maintaining appropriate systems of quality control.				
Review cycle 5. A cycle-based, risk-based, or a mixed approach for selecting firms for QA review is used.	X			Initial this will form part of the annual accreditation monitoring visits but will be refined through the implementation of a self-evaluation document that will be used to implement a risk-based approach to monitoring and evaluation
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			Initially this will be conducted annually, but will be reduced to a detailed monitoring and evaluation once every three years (extent of the accreditation period)
QA Review Team 7. Independence of the QA Team is assessed and documented.	X			The appointment of assessors and monitoring officers are government by financial constraints, but the integrity and quality of the process will not be compromised. Furthermore, within the three year cycle the assessors are rotated. The reports of the assessors and monitoring officers are moderated by independent moderators to maintain the integrity and quality of the process
8. QA Team possesses appropriate levels of expertise.	X			The assessors are required to maintain CPD and are required to attend a refresher program over a five year cycle
Reporting 9. Documentation of evidence supporting the quality control review report is required.	X			The report of the assessors are reviewed and recommendations, if any, are documented and followed up to ensure they are implemented or addressed. The reports are upload to the system of the members and the assessors

Requirements	Y	N	Partially	Comments
10. A written report is issued upon conclusion of the QA review and provided to the firm/partner reviewed.	X			The assessors report is discussed with the practitioner who must approve the report before it is filed by SAIPA
Corrective and disciplinary actions 11. Reviewed firms/partners are required to make timely adjustments to meet recommendations from the review report.	X			A record of the recommendations are filed on the system which are followed up to ensure appropriate action is taken to address the recommendations
12. QA review system is linked to the Investigation and Discipline system.	X			The QA review reports forms part of the compliance procedures which is linked to the Investigations and Disciplinary system
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 reports on the QA reviews are submitted to the Board of SAIPA and the Risk Management Committee
Regular review of implementation and effectiveness 14. Regular reviews of implementation and effectiveness of the system are performed.	X			The review of the system forms part of risk management system plan of SAIPA

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

Action Plan Objective: Continue to use best endeavours to ensure that all standards issued by the IAESB are adopted and implemented into the South African professional accountancy education system as it relates to SAIPA

#	Start date	Actions	Completion date	Responsibility	Resource
<p>Background:</p> <p>SAIPA develops its own education requirements, in alignment with the International Accounting Education Standards Board as well as the unique demands of the South African accountancy profession. SAIPA also aligns its programmes to the principles set out by the South African Qualifications Authority – SAQA. SAQA is a body nominated through South African legislation, to oversee the quality assurance, standardization and effective recording of all accredited training providers wishing to have qualifications registered and monitored nationally as well as a records database of qualified learners. SAQA has also delegated authority to Sector Education and Training Authorities, to monitor and quality assure the programmes offered, as well as the training centres and Professional Bodies offering these programmes. There are bodies specific to each sector of the South African economy – in SAIPA’s instance, the sector authority is identified as the Financial and Management Services Sector Education and Training Authority, or FASSET. SAIPA is accredited as a Quality Assurance Partner (QAP) of FASSET – a QAP is a body accredited to perform a large portion of the education and training quality assurance functions as prescribed by FASSET.</p> <p>SAIPA will soon need to comply with a new quality council – the Quality Council for Trades and Occupations. This would mean a new curriculum needs to be drafted in consultation with all relevant stakeholders. SAIPA has submitted their application for a Professional Accountant qualification to be developed (which would replace our current qualifications). We await further developments in this regard. SAIPA has been approved as the Quality Assurance Partners (QAP) for the two qualifications, viz. Professional Account in Practice and Professional Accountant in Business, with effect from 01 August 2016. Furthermore, SAIPA is in the process of submitting the qualifications documents in compliance with the requirements of QCTO – due date is 30 November 2016</p> <p>With University representatives being part of our Education Committee, SAIPA continues its dialogues with tertiary institutions on a regular basis, so as to ensure all International Education Standards (IES) and other IAESB requirements are incorporated into the South African Professional Education System as it relates to SAIPA.</p> <p>As mentioned above, SAIPA is a QAP of FASSET, and has representation on board level of FASSET as well as the Quality and Learnerships Committee and the Skills Planning Committee. FASSET in turn communicates decisions made at these levels, directly to the Departments of Higher Education, who reports to the Minister of Education in South Africa.</p>					

The South African Education system has changed in terms of Professional Bodies being required by law to register their professional body and the associated designation with SAQA. SAIPA has been successfully recognized by SAQA as a Professional Body and the SAIPA designation (Professional Accountant (SA)) has been registered on the South African Database. This is evidence of our continued compliance to our national obligations (which are also aligned to the IFAC requirements for a member body in most requirements). The educational landscape in South Africa has changed with effect from 01 July 2016 resulting in establishment of two separate but inter-related authoritative bodies Committee of Higher Education (CHE) which oversees the registration of academic qualifications and QCTO which oversees the registration of occupation and professional qualifications. FASSET has been granted delegated authority to administer the professional accounting qualifications, but the authority for the qualifications rests with QCTO.

Continue to use best endeavours to ensure that all IES requirements are incorporated into the South African professional education system

11.	Ongoing	<p>SAIPA will continue to actively participate in University quality assurance panels, to promote the IES requirements at all times. SAIPA will continue to involve University representatives from South Africa in to our Education Committee, so as to ensure open channels of communication between the Institutes of Higher Learning and SAIPA. The Education Committee's terms of reference are aligned with the IES's.</p> <p>SAIPA will continue to align its National Programmes to SAQA requirements as well as to IES requirements in order to ensure that all programmes are fully compliant to IFAC requirements.</p>	Ongoing	ETM & LEC Executives	ETM & LEC Departments
12.	Ongoing	<p>SAIPA Policy regarding practical experience is aligned to the IES 5 requirements. –The SAIPA Education Committee - EDCOM is responsible for theoretical and practical requirement to qualify as a Professional Accountant. SAIPA must also ensure alignment with the Financial and Accounting Services Sector Education and Training Authority FASSET.</p> <p>SAIPA Logbooks used for our practical training have recently been reviewed and quality checked for IES5 alignment and the logbook is now available online,</p>	Ongoing	ETM Executive	ETM & TSD Departments

		thereby offering SAIPA remote access at any time to each individual's progress in terms of their practical experience.			
13.	Ongoing	<p>Ensure that all active and post-active members follow the (required) Continuing Professional Development (CPD) course on the SAIPA Code of Ethics (which was adopted from the IESBA Code of Ethics as of January 2012, and a new SAIPA constitution and by-laws was approved at the SGM of SAIPA IN June 2013).</p> <p>A "Code of Ethics" CPD is mandatory to all members – 2 CPD hours per year. SAIPA has a memorandum of understanding with the Ethics Institute of South Africa, whereby our members and trainees are able to attend their seminars and workshops at a discounted rate.</p>	Ongoing	ETM & LEC Executives	ETM, TSD & LEC Departments
Strengthening IESs and New Developments					
14.	Ongoing	<p>Compliance with IES 1: Continue to use the best endeavours to ensure that entry-requirement level (admission into a recognized university degree programme or its equivalent) is maintained in South Africa for SAIPA member candidates in the context of developing a new SAIPA curriculum. SAIPA has provisionally accredited Universities in terms of their compliance to IES's and SAIPA's Professional Profile and full accreditation has been awarded to 9 compliant Universities to date with an additional 15 tertiary institutions applying for accreditation with SAIPA.</p> <p>The following engagements are undertaken with the accredited and potential accredited tertiary institutions (i) importance of the alignment of academic programmes to IES's, (ii) changes in the academic and competency requirement of professional accountants, (iii) capacity development in partnership with SAIPA in</p>	Ongoing	<p>ETM & TSD Executives</p> <p>(Training Manager & Public Sector Manger)</p>	ETM & TSD Departments

		terms of competency-based education, and (iv) alignment of assessment practices with the competencies required. Also developing short course collaboratively for promote mobility and articulation into and through the profession.			
15.	Ongoing	<p>Compliance with IES 2 and 3: Continue to use the best endeavours to ensure that implementation of professional accounting and auditing study complies with IES 2 and SAIPA Professional Profile in the context of new developments for future structuring of the professional specialization education.</p> <p>The second phase of the development of a new SAIPA curriculum will include consideration of specialist areas other than auditing.</p> <p>Training includes areas of specialization for the public sector, commerce & industry as well as banking, and the logbooks have been developed for each specialist area. The following strategic plans have been activated (i) presented the SAIPA model for professionalization of the public finance sector to key stakeholders such Treasury, FAB, LGSETA, SALGA, etc. (ii) implemented a pilot of the public sector learnership qualification in the Gauteng Treasury, (iii) developed a strategy for the fast-tracking of CFO's in the public sector through the RPL and short-course programmes, (iv) the development of the articulation of existing staff in the public finance sector to becoming Professional Accountants. The implementation dates are as follows (i) CFO's and RPL commenced with effect from October 2016 and (ii) the articulation for staff will commence during March 2017. Furthermore, SAIPA in conjunction with the University of Western Cape (UWC) has developed as Public Finance post-graduate programme which will be rolled out during 2017, in addition to endorsing the Public Sector qualification offered by UCT.</p> <p>SAIPA is also currently reviewing the previous demand for subject matter compliance in terms of academic (technical) requirements, ensuring our requirements for technical competence are listed as outcomes rather than subjects – competency frameworks for each specialisations is being developed.</p>	Ongoing	ETM & TSD Executives (Training Manger & Public Sector Manager)	ETM & TSD Departments

		The members who meet the requirements of being awarded the designation of Professional Accountant (SA) also meet the requirements to be registered as a TAX Practitioner (SA).			
16.	Ongoing	SAIPA has reviewed its current examination practices in comparing current practice with those as reflected in the updated International Education Information Paper on the Development and Management of Written Examinations. This has proven most helpful in identifying areas of continuous improvement – the strategy is to implement competency-based assessments. With effect from May 2015 the Professional Evaluation examination was driven by a competency-based approach through the use of practical case studies constituting the application of technical knowledge in business situation with the emphasis on providing advice to clients and management. With effect from November 2016 there is a significant shift from have subject based case studies to integrated case studies – placing the candidates in a conversation with a client providing responses and advice.	May 2016 (Ongoing)	ETM Executive & EDCOM	ETM Department
17.	Ongoing	Compliance with IES 4: Within the SAIPA Professional Evaluation (or entrance examination), the examination panel always has at least 1 question on ethical behaviour. Ensure that all active and post-active members follow the (required) CPD course on the SAIPA Code of Ethics (2008).	Ongoing	ETM & LEC Executives	ETM & LEC Departments
18.	Ongoing	Compliance with IES 5: SAIPA practical experience is initiated through direct alignment to International Education Practice Statement (IEPS) 3. SAIPA currently has both an input and output based route for those wishing to become members, with 6 year's verifiable experience within an accounting environment being input based, or 3 year's practical training through a "learnership" being output based (or outcomes based, as per the South African terminology).	Ongoing	ETM Executive (RPL Committee)	ETM & LEC Departments

19.	Ongoing	<p>Compliance with IES 6: SAIPA's final qualification assessment is directly aligned to the guidelines found in the standard.</p> <p>SAIPA has also reviewed the latest amendment to the information paper provided by the IAESB to ensure we measure ourselves against good practice models worldwide</p>	Ongoing	ETM Executive (EDCOM & Examination Committee)	ETM Department
20.	Ongoing	<p>Compliance with IES 7: SAIPA continues to design CPD workshops that are relevant to members, keeping them abreast of changes in the fields of tax, accounting, governance, company law, internal controls and general business management. This is achieved through workshops conducted face to face as well as online. Online CPD's and Interactive Webinars are continuing, thus providing greater access to members to ensure the members have as many opportunities to fulfil their requirements. SAIPA offers a "once off payment" for CPD subscription per annum, which has proved very popular with members.</p>	Ongoing	ETM & TSD Executives	ETM & TSD Departments
21.	Ongoing	<p>Compliance with IES 7: Investigating the possibility of implementing a more output-based approach system for CPD; including an improvement of requirement categorization; monitoring and sanctioning.</p> <p>Case studies and self-assessment quizzes have been incorporated to most of our CPD workshops.</p> <p>The monthly magazines freely distributed to members contain technical articles that have CPD hours allocated, which will be logged as unstructured hours. Technical articles in our magazines include questions that will assess the achievement of the desired outcome of the article which will be evaluated and uploaded to the members CPD hours. Updated IT system will ensure the member CPD requirements are adequately tracked.</p>	Ongoing	ETM & TSD Executives	ETM, TSD & LEC Departments and CPD co-ordinator

		SAIPA is moving towards complete verifiable output based approach on seminars. Initial warnings have been issued to members failing to upload their CPD hours on their member profiles. For those members who have not complied with the CPD hours, they have been requested to submit a CPD plan in order to make up the shortfall. The SAIPA Legal Department to ensure those who are not in compliance is referred to the Investigation Committee. The content of the CPD's and the methodology of presentation focuses on the concepts and principles which are consolidated through the application to practical scenarios – the assessments evaluates the competencies of applying to subject content is business scenarios.			
22.	Ongoing	In terms of IES 8, the SAIPA Technical Executive currently sits on the SAICA Assurance Guidance Committee. Yes	Ongoing	TSD Executive	ETM & TSD Executives
Maintaining Ongoing Processes					
23.	Ongoing	SAIPA's CPD Committee and Education Committee – EDCOM maintain an ongoing process of monitoring new and revised standards and incorporating them into education and examination requirements. Both committees have standard agenda items on new standards and exposure drafts thus ensuring that any new and revised standards are correctly and timeously incorporated. The chairpersons of these committees as well as SAIPA management are on the distribution lists of IFAC, IAESB, IAASB and various other standard setting bodies which ensure that they get pronouncements and new standards as soon as it becomes available. EDCOM now has oversight on CPD subject matter, so as to ensure relevance and congruency. SAIPA provides comments of the standards either in its own capacity or through the structures of the profession such as the FRTC, FAB, ASB, etc.	Ongoing	ETM Executive	ETM & TSD Executives
		Continue to use best endeavours to ensure university education requirements continue to incorporate IES - and SAIPA Professional Profile requirements. This includes review of the existing requirements and preparation of the Action Plan for			

24.	Ongoing	amendments where necessary. During the accreditation of Universities, SAIPA takes into account the new IES requirements. Regular monitoring visits to Universities undertaken to ensure continued compliance to IES requirements. (3 year turn around, except in cases of updated IES requirements being published).	Ongoing	ETM Executive	ETM Department (Training Manger & Public Sector Manager)
<i>Review of SAIPA's Compliance Information</i>					
25.	Ongoing	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	May 2019	ETM & LEC Executives	ETM & LEC Departments

Action Plan Subject: SMO 3 - International Standards and Other Pronouncements Issued by the IAASB

Action Plan Objective: Convergence with IAASB and IAESB Pronouncements

#	Start date	Actions	Completion date	Responsibility	Resource
<p>Background:</p> <p>In South Africa, responsibility for the quality assurance of auditors lies with the Independent Regulatory Board for Auditors (IRBA). IRBA is also responsible for the adoption of auditing standards in South Africa. Professional Bodies cannot actively participate in the standard-setting structure of IRBA as this will violate the independence of IRBA, but IRBA participates on the standard setting structures with the profession on an advisory and oversight role.</p> <p>SAIPA membership currently falls within the scope of the New Company's Act of South Africa, which allows for our members to perform an Independent Review of Financial Statements. With this development, SAIPA ensures that the International Standards Regulation Engagements (ISRE) aligned to the International Auditing and Assurance Standards Board.</p>					
<p>Supporting members implementation of ISREs</p>					
26.	Ongoing	<p>Education of members on the alignment of ISRE2400 and ISRE4400.</p> <p>The new Companies Act 71 of 2008 has increased the need of SAIPA members to be up to date and competent as independent reviewers amongst other things. To facilitate this, an online certificate has been developed, which is aligned with the ISRE 2400,4400 and 4410. The successful completion and passing of the assessment on this certificated course will declare the member competent as an independent reviewer. A certificate of competence in independent review will be awarded. This has proven to be very popular with SAIPA members.</p> <p>SAIPA provide training to members in the form of workshops, training forums and CPD's to develop the competencies of members rendering agreement upon engagements and independent reviews. With effect from 2017 the following sessions will be conducted continuous (i) engagement letter, (ii) accounting</p>	Ongoing	ETM & TSD Executives	TSD Department

		officer's report, (iii) independent reviews, (iv) agreed upon engagements, (iv) quality assurance			
Review of SAIPA's Compliance Information					
27.	Ongoing	Perform periodic review of SAIPA's response to the IFAC Compliance Self-Assessment Questionnaires	May 2018 (Ongoing)	ETM & LEC Executives	ETM & LEC Departments
28.	Ongoing	SAIPA participates in the structures such as FRTC, ASB and FAB to provide comments on international standards collectively but also provide comments in its own capacity			

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

Action Plan Objective: Ensure alignment of SAIPA Code of Ethics with International Ethics Standards Board for Accountants Code

#	Start date	Actions	Completion date	Responsibility	Resource
Background:					
<p>The SAIPA Board has the authority, as detailed below, to amend the constitution of SAIPA. In the process of amending the constitution, due cognizance is taken of the underpinning IFAC compliance, so as to ensure continued compliance in this regard.</p> <p>Amendments on the International Ethics Standards Board for Accountants (IESBA) code are brought to the attention of the Board of SAIPA via the Chief Executive, who receives correspondence regularly from IFAC, via email. Any changes to the Code of Conduct are communicated to members via the newsletters, technical news platforms, magazines, CPD's and members' forums.</p>					
Application of the Code of Ethics Standards					
29.	Ongoing	Review Code of Ethics and ensure continued alignment with IESBA code. Code of ethics has been ratified by the SAIPA Board and fully adopted from the IESBA Code of Ethics. SAIPA's Code of Conduct is aligned with that of the IESBA – this is provided to members via the website of SAIPA.	Ongoing	TSD Executive	TSD Department
Member Notification; Education and Promotion Activities					
30.	Ongoing	<p>Produce collection of case study and explanatory material; published as "Ethics and You".</p> <p>Explanatory Material: Explanatory material appears in our quarterly magazine called "the Professional Accountant" under a section called "Transparency".</p> <p>Case Study: A list of "offences and penalties against our code of ethics" is now included in our Legal Policy, which has been ratified by the board of SAIPA.</p>	Ongoing	LEC & ETM Executives	LEC & Marketing Departments (Disciplinary Committee)

		SAIPA presented members with materials on Ethics during 2016 which was used during the CPD programme and will be updated for the 2017 programme. A brochure, pocket reference booklet is planned for printed and distribution during the latter part of 2017.			
31.	Ongoing	SAIPA has a memorandum of understanding with the Ethics Institute of South Africa. This allows our members to attend all Ethics SA's seminars and workshops at a discounted rate. This MoU has been renewed during June 2016 – it is renewed annually.	Ongoing	TSD & LEC Executives	ETM & LEC Departments and CPD co-ordinator
32.	Ongoing	Mandatory seminars are presented on Ethics and Governance – minimum of 2 CPD hours. There will be webinars on the topic and videos that can be viewed at anytime. Yes is part of the compliance requirements for CPD's.	Ongoing	LEC & ETM Executives	LEC Department and CPD co-ordinator
<i>Code of Ethics Interpretation / Advice / Counselling</i>					
33.	Ongoing	Issues reported by individual members and students monitored against the coverage of the Code. Investigations and Disciplinary Committee acts upon such reports. Compliance Officer/ Legal Administrator on call for all telephonic/ email enquiries regarding Ethics.	Ongoing	LEC Senior Manager	LEC Department (Investigations & Disciplinary Committees)
<i>Proposed Code of Ethics Revisions</i>					
34.	Ongoing	Monitor developments and amendments to the IESBA Code. SAIPA participates in the structures such as FRTC, ASB and FAB to provide comments on international standards collectively but also provide comments in its own capacity	Ongoing	LEC Senior Manager	Board
<i>Review of SAIPA's Compliance</i>					

35.	Ongoing	Update sections relevant to SMO 4 as necessary. Once updated inform IFAC Compliance staff about the updates in order for the Compliance staff to republish updated information.	Ongoing	LEC & ETM Executives	LEC & ETM Departments
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Action Plan Subject: SMO 5 - International Public Sector Accounting Standards and Other Pronouncements Issued by the IPSASB

Action Plan Objective: Ongoing convergence with requirements of SMO 5 - Support and maintain processes for ongoing incorporation of IPSAS requirements into National Public Sector Accounting Requirements

#	Start date	Actions	Completion date	Responsibility	Resource
Background:					
SAIPA is a member of the Public Sector Technical Forum of the Accounting Standards Board. This forum comprises other member bodies such as SAICA, the large auditing companies of South Africa and government bodies such as the National Treasury of South Africa, the Auditor General of South Africa and the South African Institute of Municipal Finance Officers. At this forum, matters pertaining to Public Sector Accounting Standards are discussed and the forum engages in problem solving related to Public Sector accounting in South Africa. SAIPA uses its best endeavours to actively encourage the use of International Public Sector Accounting Standards (IPSAS) in South Africa. The South African equivalent of the IPSASs is called Generally Recognised Accounting Practice (GRAP). GRAP standards are based on IPSASs.					
Promote the adoption of IPSASs by the South African Government					
36.	Ongoing	SAIPA will continue to use its best endeavours to encourage the Government to adopt IPSAS. This will include participation in various committees. SAIPA continues to participate in the Public Sector Accounting Forum, run by the Accounting Standards Board of South Africa. This is the course offered by CPA Ireland and the members of SAIPA are granted access to the programme as part of the MoU signed.	Ongoing	TSD & ETM Executives	TSD & ETM Departments
37.	August 2015	SAIPA has engaged in discussion with Treasury and Government authorities with respect to the implementation of short-course in IPSAS and public finance. SAIPA current has members practicing in the Public Sectors and has initiated a growth strategy (effective from August 2016) to attract and articulate members in the sectors.	August 2015 – commencement date (Ongoing)	ETM & TSD Executives 9Public Sector Manager)	ETM Department (Public Sector Manager)

38.	November 2015	SAIPA concluded a memorandum of understanding with CPA Ireland in respect of offering the online IPSAS course to South African practitioners and public finance professionals.	November 2015 – commencement date (Ongoing)	TSD Executive	TSD & ETM Departments
39.	Ongoing	Rolled out of the learnership in the Gauteng Provincial Treasury. The pilot is in its final phase (July 2016), and SAIPA will evaluate the results to measure its success. SAIPA will roll out to other treasuries and other departments nationwide. Based on the changes in the educational landscape in South Africa there is no need to register a specific qualification for the public sector but to have a specialisation to the existing qualification – this is being incorporated into the submission of the registration of the qualification with QCTO. No longer considering a new qualification – just adding a module applicable to Public Sector in the current qualification	Ongoing	ETM Executive (Public Sector Manager)	ETM Department (Public Sector Manager)
<i>Incorporation of IPSAS requirements into National Public Sector Accounting Requirements</i>					
40.	Ongoing	SAIPA is a member of the Accounting Standards Board; to continuously ensure that IPSAS are used as a 'benchmark' in development of IFRS-based State reporting manuals and that IPSAS are adopted by both national and local government. The structure of the public sector in South Africa allows for the adoption of Generally Recognised Accounting Practice (GRAP), IFRS and IPSAS as accounting frameworks – GRAP is a "modified" IFRS accounting standard for the public sector (high degree of similarities).	Ongoing	TSD & ETM Executives	TSD & ETM Departments and Public Sector Manager
<i>Assistance with implementation of IPSAS requirements into National Public Sector Accounting Requirement</i>					
41.	Ongoing	SAIPA as a member of the Accounting Standards Board contributes to, reviews and make comments on the Public Sector accounting standards including IPSAS and	Ongoing	TSD & ETM Executives	TSD & ETM Departments

		the implementation thereof – SAIPA is involved in the answering of technical queries at the Public Sector Accounting Forum.			
Maintaining Ongoing Processes					
42.	Ongoing	Continue to identify opportunities to further assist in implementation of IPSASs. SAIPA participates in the structures such as FRTC, ASB and FAB to provide comments on international standards collectively but also provide comments in its own capacity	Ongoing	TSD & ETM Executives	TSD & ETM Departments
Review of SAIPA's Compliance Information					
43.	Ongoing	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.	Ongoing	LEC Senior Manager	LEC & ETM Department

Action Plan Subject: SMO 6 - Investigation and Discipline

Action Plan Objective: Improve and ensure ongoing maintenance of SAIPA Investigation and Discipline System

#	Start date	Actions	Completion date	Responsibility	Resource
Background:					
<p>SAIPA shall maintain and improve the Investigation and Discipline system through documenting of all procedures undertaken by the Investigations and Disciplinary Committee's, in the SAIPA Quality Management System Manual. Thereafter all such policies are reviewed no more than 3 years from date of implementation. The Legal Manager update disciplinary policies so as to reflect SMO 6 requirements. This ensures policies and processes remain relevant and current, and ensure continuous improvement is made to the SAIPA business practices. No, currently IRBA only regulate the auditing profession and independent reviews can be conducted by professional accountants and auditors.</p>					
44.	Ongoing	<p>The SAIPA Constitution as well as SAQA requirements for recognition as a professional body in South Africa, requires that there be a disciplinary process in place.</p> <p>Guidance on sentencing is provided to the Investigation Committee and the Disciplinary Committee by the Legal Manager (an attorney); The Legal Manager is also required to update disciplinary policies so as to reflect SMO 6 requirements.</p> <p>Policies and processes written have been approved by the SAIPA Board but shall be under review shortly to ensure alignment to the changes in the SAIPA constitution.</p>	Ongoing	LEC Senior Manager & Board	LEC & ETM Departments (Investigations & Disciplinary Committees)
45.	Ongoing	SAIPA has an Appeals Tribunal to review appeals against the investigations and disciplinary committee decisions.	Ongoing	LEC Senior Manager	LEC & ETM Departments
Maintaining Ongoing Processes					

SAIPA inform its members through and induction session, members pack and through continuous communication by the Legal & Compliance department					
46.	Ongoing	Continue to identify opportunities to further assist in implementation of SMO 6	Ongoing	LEC Senior Manager	LEC Department (Investigations & Disciplinary Committees)
Review of SAIPA's Compliance Information					
47.	Ongoing	Perform periodic review of SAIPA's response to its self-assessment against SMO 6 requirements 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.		LEC Senior Manager	LEC & ETM Departments

Main Requirements of SMO 6

Requirements	Y	N	Partially	Comments
Scope of the system				
1. A system of investigation, discipline and appeals exists for the accountancy profession. The system is operational.	X			Professional Accountant are authorized through the Close Corporations and Companies Acts and thus any violations are governed in terms of these. Furthermore, the Investigations & Disciplinary Committee of SAIPA also enforces compliance on its members.
2. Information about the types of misconduct which may bring about investigative actions is publicly available.	X			All members are issued with the Investigations and Disciplinary policies which is also available to members via the website

Requirements	Y	N	Partially	Comments
Initiation of Proceedings				
3. Both a “complaints-based” and an “information-based” approach are adopted.	X			The complaints-based is received from internal and external sources while the information-based is initiated through the compliance process of SAIPA
4. Link with the results of QA reviews has been established.	X			The quality assurance review is used to evaluate the quality of the services rendered which is one of the compliance requirements which may initiate an investigation
Investigative process				
5. A committee or similar body exists for performing investigations.	X			An Investigations & Disciplinary Committee is established in terms of the policies and structures of SAIPA
6. Members of a committee are independent of the subject of the investigation and other related parties.	X			The members of the committee are required to complete an declaration of interest/conflict prior to the commencement of the meeting
Disciplinary process				
7. A separate disciplinary committee/entity exists to make disciplinary decisions on referrals from the investigation committee.	X			The investigations committee made recommendations after deliberations and if further action needs to be taken then the matter is forwarded to the disciplinary committee which is independent of the investigations committee
8. Members of the committee/entity include professional accountants as well as non-accountants.	X			The composition of the committee is appointed in terms of the policy and terms of reference (TOR) which ensures that the members collectively are competent to perform the functions

Requirements	Y	N	Partially	Comments
9. The tribunal exhibits independence of the subject of the investigation and other related parties.	X			The members of the committee are required to complete an declaration of interest/conflict prior to the commencement of the meeting
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.	X			The penalties are appropriate for the severity of the offence as well as for the protection of SAIPA and the profession
Rights of representation and appeal 11. A third appeals body exists which is separate from both the disciplinary committee and investigative committee.	X			Appeals are dealt with through the appeals process which is independent of the Investigations and Disciplinary processes
Administrative Processes 12. Timeframe targets for disposal of all cases are set.	X			Depending on the nature and severity of the case as well as the availability of members of the committees, a timeframe is to address matter without causing undue stresses for the parties involved

Requirements	Y	N	Partially	Comments
13. Tracking mechanisms to monitor progress in investigation and discipline and related procedures are established.	X			The tracking and progress of cases are monitored to the risk management system of SAIPA
14. Records of investigations and disciplinary processes are established.	X			All proceedings of the hearings are recorded and documented as evidence and safeguarded for future use
Public Interest Considerations 15. Activities are supported to ensure that the public is aware that an investigative and disciplinary system exists in the jurisdiction.		X		In terms of the POPI Act does not permit for the publicizing of disciplinary matters, but the cases are drafted into case studies for publication to educate members and the public.
16. A process for the independent review of complaints on which there was no follow-up is established.	X			Complaints are logged on the systems which is tracked and followed up for completion
17. The results of the investigative and disciplinary proceedings are made available to the public.		X		In terms of the POPI Act does not permit for the publicizing of disciplinary matters, but the cases are drafted into case studies for publication to educate members and the public.
Liaison with Outside Bodies 18. There is an appropriate process for liaison with outside bodies on possible involvement in serious crimes and offences.		X		In terms of the POPI Act does not permit for the publicizing of disciplinary matters, but the cases are drafted into case studies for publication to educate members and the public.
Regular review of implementation and effectiveness	X			This is part of the policy review process and risk management strategies of SAIPA

Requirements	Y	N	Partially	Comments
19. Regular review of implementation and effectiveness of the system are performed and corrective actions are implemented.				

Action Plan Subject: SMO 7 - International Financial Reporting Standards and Other Pronouncements Issued by the IASB

Action Plan Objective: Continue to use best endeavours to maintain and continuously improve an ongoing programme for adoption and implementation of IFRS

	Start date	Actions	Completion date	Responsibility	Resource
<p>Background:</p> <p>South Africa has adopted International Financial Reporting Standards (IFRS) without amendment, through the Financial Reporting Standards Council (FRSC).. SAIPA participates in the structures such as FRTC, ASB and FAB to provide comments on international standards collectively but also provide comments in its own capacity</p> <p>Key to SAIPA compliance with SMO 7 will be contributing to ensuring the outcomes of any legislative reforms continue to recognize and uphold fully converged IFRS, including IFRS for Small and Medium Enterprises - SME's.</p> <p>To keep members abreast of the IFRS and IFRS for SMEs SAIPA offers two workshops per annum that update the members on any new and relevant accounting standards</p>					
<p>Review of the Financial Reporting Environment</p>					
48.	Ongoing	The new Tax administration Act requires that tax practitioners to be registered with a controlling body recognized by the South African Revenue Services. SAIPA is one of the first five bodies that successfully obtained recognition as a controlling body.	Ongoing	TSD Executive (Tax Manager)	TSD Department
49.	Ongoing	Analyze and implement the recommendations made in the review above. The process of determining the type of engagement (compilation, independent review and audit) are under review – SAIPA has made submissions to amend the basis of determining the engagement (Public Interest score)	Ongoing	TSD Executive (Tax Manager)	TSD Department
<p>Review of Education Needs and Strategies</p>					

50.	Ongoing	Continuously provide comments on exposure drafts and new regulations and practice notes on the IFRS as well as any other relevant standards.	Ongoing	TSD Executive	TSD & ETM Departments
51.	Ongoing	Analyze and implement recommendations on IFRS & IFRS for SMEs by disseminating to members promptly and providing training and technical updates on matters raised. An IFRS/IFRS for SMEs CPD is compulsory for all members every year. SAIPA's CPD content has been updated accordingly every year.	Ongoing	TSD & ETM Executives	TSD Department
52.	Ongoing	SAIPA publishes articles in their various publications, ensuring current and relevant information regarding IFRS is shared with all members and other stakeholders reading our publications. The magazines published are Professional Accountant and Tax Professional, other publications include Tax Update, Technews, Tax brochures, IFRS book.	Ongoing	TSD Executive	TSD Department
Review of the Due Process					
53.	Ongoing	Review existing participation strategies in the standard-setting process: Identification of the EDs; Communication plan; Review and comments. SAIPA remains on the distribution list of IFAC And has made comment on the proposed changes to IFRS for SME's	Ongoing	TSD Executive	TSD Department
54.	Ongoing	The recently released guide to IFRS for SMEs for micro entities has been implemented for micro entities. ISRS 4410 revised has been adopted as a standard thereon. No date has been finalised as yet.	Ongoing	TSD Executive	TSD Department
IFRS for SMEs					
55.	Ongoing	South Africa has already adopted IFRS for SME; SAIPA's role is to provide guidance on the implementation of IFRS for SME; Review the effect on the current reporting framework on the shift to IFRS for SMEs.	Ongoing	TSD & ETM Executives	TSD & ETM Departments

		SAIPA has therefore produced a text book on IFRS for SME's and this book is used as a tool for members and also prescribed as a study reference book at some universities in South Africa, viz. UCT, WIT, UWC and CPUT.			
56.	Ongoing	CPD update workshops are presented annually to keep members abreast of the developments in the frameworks.	Ongoing	TSD & ETM Executives	TSD & ETM Departments
57.	Ongoing	Provide training programs on IFRS for SMEs. The programme is a separate programme offered by an approved service providers. There are 2 CPD sessions which focuses on IFRS and IFRS for SMEs per year.	Ongoing	TSD & ETM Executives	TSD & ETM Departments
<i>Maintaining Ongoing Processes</i>					
58.	Ongoing	Continue to use best endeavours by identifying 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	TSD & ETM Executives	TSD & ETM Departments
<i>Review of SAIPA's Compliance Information</i>					
59.	Ongoing	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.	Ongoing	LEC Senior Manager	LEC & ETM Departments