

BACKGROUND NOTE ON ACTION PLANS

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

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

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

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

Use of Information

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

ACTION PLAN

IFAC Member/Associate:	The Iranian Institute of Certified Accountants (IICA)
Official responsible:	Dr. Mohsen Ghasemi, Secretary General
Approved by Governing Body:	High Council
Date Approved:	December 2016
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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

Audit Organization	Official Standard Setter in Iran
CPD	Continuing Professional Development
I&D	Investigation and Disciplinary
IAASB	International Auditing and Assurance Standards Board
IACPA	Iranian Association of Certified Public Accountants, 2nd IFAC Member Body in Iran
IAESB	International Accounting Education Standards Board
IES	International Educations Standards
IESBA	International Ethics Standards Board for Accountants
IFRS	International Financial Reporting Standards
IICA	Iranian Institute of Certified Accountants
IPSAS	International Public Sector Accounting Standards
IPSASB	International Public Sector Accounting Standards Board
ISA	International Standards on Auditing
ISRS	International Standard on Related Services
PACT	IICA's Professional Accountants Centre for Training
QA	Quality Assurance
QC	Quality Control
SME	Small and Medium Enterprises

Action Plan Subject: General Actions
Action Plan Objective: To Ensure Best Use of IFAC Tools and Guidance and Support, in the Development of Accountancy Profession in Iran.

#	Start Date	Actions	Completion Date	Responsibility	Resource
<i>Background:</i>					
IFAC provides valuable tools and guidance to support accountancy profession worldwide. The Audit Organization of Iran is recognized by law as the body to adopt accounting standards in Iran. The IICA and the IACPA are professional associations of accountants in Iran. IICA has played an important role in strengthening accountancy profession in Iran, since 1974.					
1.	Aug-12	To present IFAC Good Practice Guidance <Establishing and Developing a Professional Accountancy> to the IICA Board.	Done	IFAC Committee	IICA Staff
2.	Oct-16	To present <IFAC's Strategic Plan for 2016-2018> to the IICA Board.	Done	IFAC Committee	IICA Staff
<i>Maintaining Ongoing Processes</i>					
3.	Monthly	Hold monthly meeting to review the latest IFAC's publications, resources and events to prepare work program for IICA's Staff.	Done	IFAC Committee	IICA Staff
4.	Quarterly	Quarterly review of Action Plan.	Done	High Council President	IFAC Committee
<i>Review of IICA's Compliance Information</i>					
5.	Annually	Update Part 1 Questionnaire and inform IFAC Compliance Staff about the updates.	Done	IFAC Committee	IICA Staff

Action Plan Subject: SMO 1 Quality Assurance (QA)
Action Plan Objective: To Communicate International Auditing and Assurance Standards Board's (IAASB) Work in Enhancing the Quality of Assurance and Related Services to Iranian Professional Accountants

#	Start Date	Actions	Completion Date	Responsibility	Resource
<i>Background:</i>					
Audit Organization, IICA, and IACPA are responsible organizations for quality assurance in Iran. IICA also provides training support to Iranian professional accountants and updates its members on new developments.					
1.	Aug-12	Encouraging Audit Organization to revise Auditing Standard No. 4410.	Done	Accounting & Auditing Research Committee	IICA Staff
2.	Sep-12	Holding training courses on ISRS 4410 (Revised), <Compilation Engagements>.	Jointly with IACPA	Training Committee	IICA's Professional Accountants Centre for Training (PACT)
3.	Sep-12	Holding training courses by using <IFAC Quality Control (QC) Guide-Orientation> PowerPoint.	Done	Training Committee	PACT
4.	Sep-12	Updating members on amendment made to the <Preface to the International Quality Control, Auditing, Review, Other Assurance, and Related Services Pronouncements>.	Jointly with IACPA	Accounting & Auditing Research Committee	IICA Staff
<i>Maintaining Ongoing Processes</i>					
5.	Monthly	Monthly review of latest IAASB publications and resources on Quality Assurance for planning purposes.	Done	Accounting & Auditing Research Committee	IICA Staff
<i>Review of IICA's Compliance Information</i>					
6.	Annually	Perform periodic review of IICA's responses to the IFAC Part 2, SMO Self-Assessment Questionnaire and update sections relevant to SMO 1 as necessary and inform IFAC Compliance Staff about the updates.	Done	IFAC Committee	IICA Staff

Action Plan Subject: SMO 2 International Education Standards (IESs)
Action Plan Objective: Strengthening Profession through the Development of Accountancy Education

#	Start Date	Actions	Completion Date	Responsibility	Resource
<i>Background:</i>					
IICA mainly represents professional accountants in business and its main activity is to provide training support to Iranian accountants in public practice, education, government service, industry, and commerce. IICA runs PACT, the biggest professional education centre in Iran.					
7.	Nov-16	Forming a task force to incorporate IESs into PACT's training courses.	Done	Training Committee	PACT
8.	Nov-16	Holding seminar on <Overview of the International Education Standards Revision Project>.	Done	Training Committee	PACT
9.	Nov-16	Designing and introducing Continuing Professional Development (CPD) Program for IICA members on an <output-based approach>.	Being Done	Training Committee	PACT
<i>Maintaining Ongoing Processes</i>					
10.	Monthly	Monthly review of latest International Accounting Education Standards Board (IAESB) publications and resources for planning purposes.	Done	Training Committee	IICA Staff
<i>Review of IICA's Compliance Information</i>					
11.	Annually	Perform periodic review of IICA's responses to the IFAC Part 2, SMO Self-Assessment Questionnaire and update sections relevant to SMO 2 as necessary and inform IFAC Compliance Staff about the updates.	Done	IFAC Committee	IICA Staff

Action Plan Subject: SMO 3 IAASB Pronouncements
Action Plan Objective: Communicating New International Standards on Auditing (ISAs) to Iranian Professional Accountants

#	Start Date	Actions	Completion Date	Responsibility	Resource
<i>Background:</i>					
Auditing Standards in Iran are established by Audit Organization and auditing and other related services are provided by Iranian CPAs who are members of IACPA or IICA. IICA also provides training support to Iranian CPAs and updates them on new auditing developments.					
12.	Oct-12	Holding training courses on <International Standard on Auditing (ISA) 610 (Revised), Using the Work of Internal Auditors>.	Done	Training Committee	PACT
13.	Dec-12	Holding training courses on <International Standard on Auditing (ISA) 315 (Revised), Identifying and Assessing the Risks of Material Misstatement through Understanding the Entity and Its Environment>.	Done	Training Committee	PACT
14.	Jan-16	To present <IAASB Strategy and Work Program, 2015–2019> to the IICA Board.	Done	IFAC Committee	IICA Staff
15.	Annually	Holding training courses on <Professional Skepticism in an Audit of Financial Statements>.	Done	Training Committee	PACT
<i>Maintaining Ongoing Processes</i>					
16.	Monthly	Monthly review of latest IAASB publications and resources for planning purposes.	Done	Accounting & Auditing Research Committee	IICA Staff
<i>Review of IICA's Compliance Information</i>					
17.	Annually	Perform periodic review of IICA's responses to the IFAC Part 2, SMO Self-Assessment Questionnaire and update sections relevant to SMO 3 as necessary and inform IFAC Compliance staff about the updates.	Done	IFAC Committee	IICA Staff

Action Plan Subject: SMO 4 the International Ethics Standards Board for Accountants (IESBA) Code of Ethics
Action Plan Objective: Support of Implementation of IESBA Code of Ethics for Professional Accountants

#	Start Date	Actions	Completion Date	Responsibility	Resource
<i>Background:</i>					
National Ethical Standards are developed by Audit Organization in Iran which is based on International Code of Ethics for Professional Accountants. IICA supports implementation of IESBA Code of Ethics.					
18.	Sep-12	Forming a Task Force to support the convergence of international and national ethical standards.	Done	High Council President	Ethics Committee
19.	Oct-12	Holding discussion panel on <Proposed Changes to the Definition of "Engagement Team" in the IESBA Code of Ethics for Professional Accountants (the Code)>.	Done	Accounting & Auditing Research Committee	IICA Staff
20.	Oct-12	Expanding IICA's education program to include courses on the Revised IFAC Code of Ethics.	Done	Training Committee	PACT
21.	Annually	To present <International Ethics Standards Board for Accountants Strategy and Work Plan, 2011–20124> to the IICA Board.	Done	IFAC Committee	IICA Staff
<i>Maintaining Ongoing Processes</i>					
22.	Monthly	Monthly review of latest IESBA publications and resources for planning purposes.	Done	Ethics Committee	IICA Staff
<i>Review of IICA's Compliance Information</i>					
23.	Annually	Perform periodic review of IICA's responses to the IFAC Part 2, SMO Self-Assessment Questionnaire and update sections relevant to SMO 4 as necessary and inform IFAC Compliance staff about the updates.	Done	IFAC Committee	IICA Staff

Action Plan Subject: SMO 5 International Public Sector Financial Reporting Standards
Action Plan Objective: Promoting International Public Sector Accounting Standards (IPSASs) in Iran

#	Start Date	Actions	Completion Date	Responsibility	Resource
<i>Background:</i>					
National Public Sector Accounting Standards are developed by Audit Organization in Iran. IICA supports IPSASs by providing training courses in PACT.					
24.	Sep-12	Encouraging IICA members to comment on International Public Sector Accounting Standards Board (IPSASB) Consultation Paper on 2013-2014 Work Program>.	Done	Accounting & Auditing Research Committee	IICA Staff
25.	Oct-12	Take part in Audit Organization's Standards Setting activities regarding Public Sector Accounting Standards.	Member of council participating	Accounting & Auditing Research Committee	IICA Staff
26.	Annually	Holding discussion panel on <IPSASB Exposure Drafts>.	Done	Accounting & Auditing Research Committee	IICA Staff
27.	Annually	Holding training courses on <International Public Sector Accounting Pronouncements>.	Done	Training Committee	PACT
<i>Maintaining Ongoing Processes</i>					
28.	Monthly	Monthly review of latest IPSASB publications and resources for planning purposes.	Done	Accounting & Auditing Research Committee	IICA Staff
<i>Review of IICA's Compliance Information</i>					
29.	Annually	Perform periodic review of IICA's responses to the IFAC Part 2, SMO Self-Assessment Questionnaire and update sections relevant to SMO 5 as necessary and inform IFAC Compliance staff about the updates.	Done	IFAC Committee	IICA Staff

Action Plan Subject: SMO 6 Investigation and Discipline (I&D)
Action Plan Objective: Improve IICA's Investigation and Disciplinary System

#	Start Date	Actions	Completion Date	Responsibility	Resource
<i>Background:</i>					
IICA is responsible for its I&D system. IICA tribunal is composed of IICA qualified members selected by High Council.					
30.	Oct-12	Forming a Task Force to review IICA I&D system in comparison to SMO 6 requirements.	Done	High Council President	Ethics Committee
31.	Nov-12	Prepare a report on areas where IICA I&D system requires changes to address SMO 6 requirements.	Done	Ethics Committee	IICA Staff
32.	Jun-13	Review and approval of Ethics Committee report on IICA's I&D system.	Done	High Council President	High Council Members
<i>Maintaining Ongoing Processes</i>					
33.	Annually	Provide information and guidance to members on Ethical Requirements.	Done	Disciplinary Committee	IICA Staff
<i>Review of IICA's Compliance Information</i>					
34.	Annually	Perform periodic review of IICA's responses to the IFAC Part 2, SMO Self-Assessment Questionnaire and update sections relevant to SMO 6 as necessary and inform IFAC Compliance staff about the updates.	Done	IFAC Committee	IICA Staff

Action Plan Subject: SMO 7 International Financial Reporting Standards (IFRSs)
Action Plan Objective: Promoting IFRSs in Iran.

#	Start Date	Actions	Completion Date	Responsibility	Resource
<i>Background:</i>					
The Iranian Accounting Standards are developed by Audit Organization, since 2000. However, the national standards are mainly based on IFRSs, all PLCs, banks, insurance companies, and other financial institutions are required to use IFRS Standards, since 2016. IICA provides training services to Iranian professional accountants on the Iranian Accounting Standards and IFRSs.					
35.	Sep-12	Encourage Audit Organization in adopting IFRSs in Iran.	Done. (Implemented from 2016 onwards)	Accounting & Auditing Research Committee	IICA Staff
36.	Oct-12	To present <IFRSs as the Global Standards: Setting a Strategy for the Foundation's Second Decade> to the IICA Board.	Done	Accounting & Auditing Research Committee	IICA Staff
37.	Quarterly	Holding training courses on <IFRS for Small and Medium Enterprises (SMEs)> based on <IFRS for SMEs training material>.	Done	Training Committee	PACT
38.	Quarterly	Holding training courses on <International Financial Reporting Standards> based on <IFRS Education Initiative>.	Done	Training Committee	PACT
<i>Maintaining Ongoing Processes</i>					
39.	Monthly	Monthly review of latest IFRS Foundation announcements for planning purposes.	Done	Accounting & Auditing Research Committee	IICA Staff
<i>Review of IICA's Compliance Information</i>					
40.	Annually	Perform periodic review of IICA's responses to the IFAC Part 2, SMO Self-Assessment Questionnaire and update sections relevant to SMO 7 as necessary and inform IFAC Compliance staff about the updates.	Done	IFAC Committee	IICA Staff