BACKGROUND NOTE ON ACTION PLANS

SMO Action Plans are developed by IFAC Members and Associates to demonstrate fulfilment 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 fulfil the requirements of the SMOs and (b) where some requirements are not yet addressed, to present plans towards their fulfilment.

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 IFAC Member Compliance Program website.

ACTION PLAN

PAO:	**Ordem dos Contabilistas e Auditores de Moçambique (OCAM)**
Approved by Governing Body:	**OCAM General Council, August 2021**
Original Draft:	**April 2016**
Last Updated:	**October 2021**
Next Update:	**October 2025**

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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

AC	Auditor Certificado
CC	Contabilista Certificado
CNC	Comissão Nacional de Normalização Contabilística
CPD	Continual Professional Development
IAASB	International Assurance and Auditing Standards Board
IASB	International Accounting Standards Board
IESBA	International Ethics Standards for Accountants
IESs	International Education Standards
IFAC	International Federation of Accountants
IFRSs	International Financial Reporting Standards
IPD	Initial Professional Development
IPSASB	International Public Sector Accounting Standards Board
IPSASs	International Public Sector Accounting Standards
ISA	International Standards on Auditing
ISQC 1	International Standard on Quality Control 1
ISSAIs	The International Standards of Supreme Audit Institutions
OCAM	Ordem dos Contabilistas e Auditores de Moçambique
OCC	Ordem dos Contabilistas Certificados
OROC	Ordem dos Revisores Oficiaiis de Contas
PAAB	Public Accountants and Auditors Board
PAFA	Pan-African Federation of Accountants
PAO	Professional Accounting Organization
CNAQ	Conselho Nacional de Avaliação de Qualidade
SMEs	Small and Medium Sized Entities
AQM	Accountancy Quality Management
INOQ	Instituto de Normalização de Qualidade
IMF	International Monetary Fund
NBAA	National Board of Accountants and Auditors
FAN	Fundo de Melhoria do Ambiente de Negócios
IBRACON	Instituto dos Auditores Independentes do Brasil
FIPECAFI	Fundação Instituto de Pesquisas Contábeis, Atuariais e Financeiras

General Description of Organization, Environment and Goals of the Action Plan

General Background

Ordem dos Contabilistas e Auditores de Moçambique, hereafter referred to as OCAM, is a regulating body of the accountancy profession in the country. It is a non-profit organization, created by the law n° 8/2012 dated 8 February by the National Parliament.

OCAM consists of two colleges: College of Chartered Accountants and College of Registered Auditors. As of 30 June 2021 OCAM had 5265 members, individuals and firms, in which 4623 in the college of Accountants and 100 in the college of Auditors. There are 208 accounting firms, 25 audit firms and 299 students.

In April 2011, the Institute of Certified Public Accountants in Ireland (CPA Ireland), in partnership with the KOSI Corporation Ltd (KOSI) were awarded a World Bank Funded contract to provide consultancy services to establish OCAM.

OCAM is governed by a board made up of 9 members, 3 Chartered Accountants (CA), 3 Registered Auditors (RA) and 3 associate members from related industries such as: banks and insurance companies. The Headquarter is located in Maputo, the capital of Mozambique and has branches in every city in the country. The Secretariat has 28 employees nationwide.

OCAM organizes an annual conference. The conference provides a platform for interaction between the accountancy profession and various stakeholders on contemporary issues that affect the economy. It also publishes a bimonthly newsletter. It supports its members through organizing CPD events.

OCAM enjoys support from the Government, tax authorities, the Central Bank, the Stock Exchange, Universities and the Chamber of Commerce among others.

OCAM is a full member of the Pan-African Federation of Accountants (PAFA), Associate member of the International Federation of Accountants (IFAC). co-founder of the African Forum of Independent Accounting and Auditing Regulators (AFIAAR) and APAAC – APEI Accountants and Auditors Committee, a World Bank program aiming to accelerate free integration and mobility of Accountancy and Audit professionals across Africa.

OCAM by completing this Action Plan seeks to demonstrate its readiness to join and remain in the IFAC family. Nevertheless, the completion of this Action Plan has also allowed OCAM to introspect and understand its weaknesses and fortresses and the need to continuously strive for the betterment of the Accounting and Audit business environment in Mozambique, more specifically to invest in CPDs to equip its member to render their services with quality and therefore, stay relevant in the market.

Furthermore, OCAM, under the auspices of PAFA (Pan African Federation of Accountants), will be hosting the 6th Africa Congress of Accountants (ACOA2021) in Maputo from 24 – 26 November 2021 at the Joaquim Chissano International Conference Centre. ACOA 2021 brings accountants from all over the African continent and beyond to network and learn together. Themed "Embracing the 4th Industrial Revolution", this is the first-

ever hybrid ACOA conference and we are expecting 1500 delegates to attend. These delegates will join the evolving dialogue at ACOA 2021 on how accountancy and finance professionals can harness 4IR to increase the positive impact organisations have on people, planet, profitability and, ultimately, prosperity. Explosive inter-generational ideas will be shared on the impact of Artificial Intelligence, Blockchain, Cloud, Data Analytics, the Internet of Things, Cyber, Ethics and Corparate Governance, etc as these key topics continue shaping human progress trajectory. This will be a moment whereby Accountancy and audit professionals will image and reimaging the future of the profession and draw a roadmap towards the improvement of the future. All things considered, the ACOA2021 will serve for the purpose of Continuing Professional Development for OCAM members and all Accountancy professionals.

The results of the survey on the impact of Covid-19 on enterprises conducted by the National Statistical Institute show that out of a total of 89,385 enterprises covered by this study, 90.4% were affected by Covid-19, and OCAM was no exception. OCAM has about 5000 members who were directly affected by COVID-19. This meant that about half of the members were no longer able to pay their membership fees, which drastically reduced OCAM's turnover. Furthermore, with the reduction of in-person activities and closing of Education intituition, OCAM Academy also registered significant losses, although, it was possible to carry out online trainings.

Action Plan Subject: SMO 1–Quality Assurance
Action Plan Objective: Establish and implement a QA Review System.

Background:

OCAM is mandated by law to regulate the accountancy profession in Mozambique. It is this legal mandate to regulate the profession that empowers OCAM to carry out Audit Quality Reviews. In pursuance of this mandate the OCAM General Council in July 2017 revised the Quality Assurance Regulation (Resolution 13/GB/2017) to incorporate the requirements of revised SMO 1. Furthermore, the law n° 8/2012 dated 8 February establishes that OCAM as a regulation body should have an Accounting Standard Setting Committee (ASC), responsible for adapting and adopting international standards for financial reporting and accounting, recording these standards and communicating them through press releases and publications for the members and the society in general. Hence, the ASC was specially tailored for this purpose.

Recognizing the lack of experience to carry out the Quality Reviews, OCAM approached PAFA to assist in finding an organization that would assist in this regard. An MOU was brokered with the Public Accountants and Auditors Board of Zimbabwe (PAAB). This enabled PAAB to support OCAM in carrying out reviews in a "twinning/partnership" arrangement whereby PAAB would carry inspections on behalf of OCAM, whilst transferring skills to OCAM staff members. Stemming from this need, OCAM received in April 2018, a delegation from the *Public Accountants and Auditors Board* (PAAB) of Zimbabwe. PAAB commenced the exercise by carrying out on-job-trainings to OCAM reviewers to be able to take over the AQM functions and for the firms in order to make them review ready. Thereafter, with also the support of OROC and OCC, OCAM conducted in July 2019 a pilot of QA review through questionnaires to Accounting and Audit firms, whereby about 382 members of OCAM were reviewed, which accounts for about 15% of the total number of members. The next phase (Field firm Inspections) had been initiated and ought to have been completed in 2019. OCAM undertook an inspection in 2019 in two firms, SOMARCAS S.A (Accounting firm) and Deloitte & Touche S.A (Audit) despite COVID-19 restrictions. However, this process was disrupted by the striking of COVID-19, which resulted in reduction of activities that involve in-person contact.

All-in-all, OCAM, within its best endeavours and commitment towards an improved Accounting and audit system in the jurisdiction and bearing in mind that COVID-19 has also acerated the use of ITC, an online QA system has been approved and online questionnaire was approved in January 2020 and going forward, OCAM is going to conduct a virtual firm inspection as the impacts of COVID-19 prevail.

OCAM adopted ISO 9001-2015 in 2020 and its was trained on it in 2021. Equally important, OCAM was Audited by INOQ in 2021 and has recently signed an MOU with PKF for certification and implementation of Quality Assurance Management System (ISO 9001:2015).

The improvement presented by OCAM allowed its affiliation to IFAC as an associate member, a moment of affirmation of OCAM as an institutions of excellency and of reinforcement of its commitment to serve the society more and more with transparency and quality, therefore contributing to a better business environment and to the creation of a transparent society of equal rights and greater social justice, where resources are for all.

Action Steps:

#	Start Date	Actions	Completion Date	Responsibility	Resources
Scope of the System					
1	January 2014	OCAM General Council approves first quality assurance regulation	April 2014 Completed	General Council	Staff
2	January 2017	Signing of an MOU with PAAB	April 2017 Completed	OCAM and PAAB	Staff
3	February 2017	Revision of regulations to incorporate revised SMO 1 requirements	June 2017 Completed	Secretariat and General Council	Staff
4	January 2018	Prepare the draft version of the Quality Assurance methodology (questionnaires and user guide)	March 2018 Completed	PAFA	PAFA Staff
5	January 2018	Translate the draft version of the Quality Assurance methodology (questionnaires and user guide)	March 2018 Completed	PAFA	PAFA staff
6	June 2018	Prepare de final version of the Quality Assurance methodology including Mozambican legal requirements (questionnaires and user guide- Online)	<u>January 2020</u>	QA Committee Secretariat	Staff
7	September 2018	Prepare the 2018 quality assurance plan and present plan for approval	October 2018 Completed	Secretariat QA Committee	Staff
8	October 2018	Present the revised methodology for approval of the Quality Assurance Committee	November 2018 Completed	Secretariat QA Committee	Staff
9	October 2018	Publish the revised methodology on OCAM website	August 2021 Ongoing	Secretariat	Staff
10	On-going	Prepare training material based on the revised methodology which highlights the most significant elements to be considered	Ongoing	Secretariat QA Committee	Staff
11	On-going	Train the quality reviewers in accordance with the revised methodology	Ongoing	Secretariat QA Committee	Staff

#	Start Date	Actions	Completion Date	Responsibility	Resources
12	November 2018	Carry out Quality Assurance reviews according to the new approved methodology	2021 December	OCAM Reviewers Secretariat	Staff
13	November 2018	Present questionnaires to the QA Committee for approval	January Completed	Secretariat OCAM Reviewers	Staff
14	March 2018	Develop training on QA methodology for the firms.	March 2018 Completed	PAFA Secretariat	Staff
15	On-going	Write annual report on the Quality Assurance reviews	Ongoing	OCAM Reviewers	Staff
16	On-going	Prepare training material based on the experience of previous year, which highlights the most common findings.	Ongoing	CPD Committee	Staff
17	On-going	Include in the CPD calendar, the areas of improvement that were detected the most common findings	Ongoing	CPD Committee	Staff
18	2021 September	Hold a meeting with Audit firms to carryout firm inspections	2021 September	QA Committee	Zoom or OCAM Academy
19	2021 September	Conduct field Inspections (Online or in-person)	2021 October	QA Committee	Staff
20	2021 October	Analysis of collect data and inception report drafting	2021 October	QA Committee	Staff
Quality Control Standards and Other Quality Control Guidance					
21	April 2016	Obtain permission of IFAC to use official translation of the ISAs into Portuguese.	June 2016 Completed	OCAM and IFAC	IFAC intellectual property

#	Start Date	Actions	Completion Date	Responsibility	Resources
22	August 2016	Inform and share documentation with members	On-going	Secretariat	Staff
23	May 2016	Provide training on the translated document and quality control standards.	On-going	Secretariat	Staff
24	2020 May	OCAM staff ISO 9001-2015 Training by INOQ	2020 May	Secretariat	Staff
25	May 2021	Signing of an MOU with PKF for implementation of Quality Assurance Management System (ISO 9001:2015)	2021 June Completed	Secretariat	Staff
QA Review Team					
26	June 2015	Recruitment of Technical Director	November 2015 Completed	Secretariat	Staff
27	April 2018	PAAB staff traveled to Mozambique for initial introductions and conduct trainings.	April 2018 Completed	Secretariat	Staff
28	August 2017	Establish a QA Committee	September 2017 Completed	General Council	Staff
29	June 2018	Establish a QA review team within OCAM in compliance with IFAC recommendations including in relation to matters of confidentiality.	August 2018 Completed	Quality Assurance Committee Secretariat	Staff
30	On-going	Independence of the QA Team validated, assessed and documented.	on-going	Secretariat	Staff
Corrective and disciplinary actions					

#	Start Date	Actions	Completion Date	Responsibility	Resources
31	On-going	Establish procedures, which ensure reviewed firms/partners are required to make timely adjustments to meet recommendations from the review report.	On-going	QA Committee	Staff
32	On-going	Establish procedures to ensure QA review system is linked to the Investigation and Discipline system.	On-going	Judicial Committee	Staff

Main Requirements of SMO 1

Requirements	Yes	No	Partially	Comments
Scope of the System 1. At a minimum, mandatory QA reviews are required for all audits of financial statements.	☒	☐	☐	QA requirements are incorporated in OCAM revised QA regulation for Audit and Accounting Firms.
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.	☒	☐	☐	Under the revised QA regulation all firms are required to adopt and implement a system of quality control in accordance with quality control standards.
3. Most up to date versions of ISQC 1 and other relevant ISA are adopted as the quality control standards.	☒	☐	☐	OCAM has incorporated the most recent version of ISQC 1 and ISA requirements.
4. Member Body assists firms in understanding the objectives of quality control and in implementing and maintaining appropriate systems of quality control.	☒	☐	☐	OCAM in partnership with PAAB Zimbabwe conducted a sensitization training sessions for all registered audit and accounting firms who are subject to quality reviews.
Review Cycle 5. A cycle-based, risk-based, or a mixed approach for selecting firms for QA review is used.	☒	☐	☐	OCAM is following a cycle based approach.
6. For cycle-based approach, quality control reviews are required to take	☒	☐	☐	

Requirements	Yes	No	Partially	Comments
place at least every six years (and every three years for audits of public interest entities).				OCAM has adopted this approach
QA Review Team 7. Independence of the QA Team is assessed and documented.	☒	☐	☐	OCAM is utilizing a team of retired experts. In giving them assignments their historical relationship with the firms to be reviewed is taken into account.
8. QA Team possesses appropriate levels of expertise.	☒	☐	☐	As above
Reporting 9. Documentation of evidence supporting the quality control review report is required.	☒	☐	☐	See link to reports
10. A written report is issued upon conclusion of the QA review and provided to the firm/partner reviewed.	☒	☐	☐	Reports are provided to firm/partner reviewed.
Corrective and Disciplinary Actions 11. Reviewed firms/partners are required to make timely adjustments to meet recommendations from the review report.	☒	☐	☐	Reviewed firms/partner provide action plan and timelines to implement the recommendations from the review report.
12. QA review system is linked to the Investigation and Discipline system.	☒	☐	☐	Yes, it is.
Consideration of Public Oversight 13. The body responsible for QA reviews	☐	☐	☐	This is not applicable to OCAM as it is the regulator.

Requirements	Yes	No	Partially	Comments
cooperates with its oversight body and shares information on the functioning of the QA review system, as needed.				
Regular Review of Implementation and Effectiveness 14. Regular reviews of implementation and effectiveness of the system are performed.	☒	☐	☐	OCAM is relatively new PAO and the QA reviews started in 2018. The reviews are in the infancy and as such certain reviews as envisaged by these questions have not yet been carried out. The overall plan is to carry out the reviews in the near future.

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

Action Plan Objective: Adoption of International Education Standards to be done by 2017

Background:

OCAM inaugurated a Training Academy in August 2020. The inauguration ceremony was led by the Minister of Economy and Finance, Adriano Maleiane. OCAM Academy was created to serve for the purpose of OCAM membership application, CPDs for its members and to provide trainings in a myriad of other areas in demand in the Mozambican market, with the main focus on Accountancy, Financial and English Language courses. The Academy has partnered internationally and domestically with IBRACON, FIPECAFI, PKF, Primavera, the Ethics Institute (TEI), ITIS, Talent Academy and many others to render home-tailored courses that fit the Mozambican reality and market. Currently, a Portuguese Exam preparation Course for foreign Accountancy and Audit Practitioners is being designed to enable them to do OCAM admission Exams well since they are normally submitted to Mozambican Commercial and tax (fiscal) law exams.

Applicants for the membership of OCAM must have acquired appropriate higher education, obtained initial practical experience (three years) under the supervision of a OCAM member in good standing and passed examination of the respective college.

The Admission and Qualification Committee and the Examination Jury define the requirements and provide the textbooks and tuition, as well as the preparation for the examination. The Exams are done online on the computer through an Open-source learning platform (MOODLE). OCAM initially established a partnership with OCC to make available examination material for the Accountants College and with OROC for the Auditors College. Although the partnership is still ongoing, OCAM has created internal capacity and does not rely on the partnership for the purpose of examinations. Furthermore, OCAM evaluates the professional experience obtained by applicants after passing the examinations.

OCAM has created an Education Committee, which closely works with CNAQ (National Commission for Quality Evaluation) from Ministry of Science, Technology and Higher Studies to provide support to Accountancy and Audit Universities in drafting and defining a model curriculum to ensure standardisation, quality and that the content is up-to-date and it meets the requirement of the employment market. As a result of this undertaking, a model curriculum for Accounting and Audit bachelor's degree in Mozambique was defined. Moreover, no university is allowed to operate in the jurisdiction without OCAM's endorsement.

CPD is prescribed and provided by OCAM or by approved service providers. According to Article 5 of CPD internal regulation, approved by the Resolution 14/GB/OCAM/2017, Members are required to complete 20 hours of CPD each year and 60 hours of CPD every 3-year cycle

The Accounting profession, like many others, is constantly changing and therefore, there is a need for Accountants and Auditors to follow the trends to remain relevant and competitive in the niche they operate in. Hence, OCAM strongly suggests its member to take CPDs seriously and attend them on regular basis for the purpose of scaling and up-scaling of their skills.

Action Steps:

#	Start Date	Actions	Completion Date	Responsibility	Resources
1	January 2016	Prepare study packs and material development for all subjects (both Colleges) – This was done in partnership with OROC and OCC	December 2016 Completed	Secretariat	Staff
2	January 2016	Prepare sample examination questions – with OROC and OCC	December 2016 Completed	Secretariat	Staff
3	June 2018	Deliver flagship teaching program for trainee accountants –	On-going	Secretariat	Staff
4	January 2016	Deliver flagship teaching program for trainee auditors – In partnership with OROC	On-going	Secretariat	Staff
5	January 2018	Deliver "Train the Trainer" program –	June 2018 Completed	Secretariat	Staff
6	February 2018	Establish E-Learning platform for examinations	April 2018 Completed	Secretariat	Staff
7	June 2018	Run first set of Formal Accountancy Examinations	November 2018 Completed	Secretariat	Staff
8	January 2016	Run first set of Formal Audit Examinations – Done in Partnership with OROC	February 2016 Completed	Secretariat	Staff
9	On-going	Run set of Formal Accountancy Examinations -Done Yearly	On-going 2021 October	Secretariat	Staff
10	On-going	Run set of Formal Audit Examinations – Done in Partnership with OROC- Done Yearly	On-going	Secretariat	Staff
Define CPD Requirements					

#	Start Date	Actions	Completion Date	Responsibility	Resource
11	June 2016	Detail the CPD basis, consider competence based- Done Yearly since then	September 2017 Completed	General Council	Staff
12	June 2016	Detail accreditation of activities	September 2017 Completed	General Council	Staff
13	June 2016	Detail exemptions policy	September 2017 Completed	General Council	Staff
Establishment of a mechanism to support compliance monitoring					
14	June 2016	Installation of support mechanism to track compliance – done in all members accounts, developed by OCAM's IT team	October 2017 Completed	Secretariat	Staff
Ensuring Members are fully aware of CPD obligations					
15	On-going	Communication of requirements	On-going	Secretariat	Staff
16	On-going	Analysis of non-compliance	On-going	Secretariat	Staff
Annual CPD Calendar					
17	On-going	Creation of Annual Calendar – Done yearly	On-going	CPD Committee Secretariat	Staff
18	On-going	Execution of CPD program – Done yearly	On-going	CPD Committee Secretariat	Staff
19	On-going	Maintain the ongoing process to monitor new and revised international education standards	On-going	Education Committee Secretariat	Staff
20	June 2018	Definition of a curriculum for Accounting Bachelor's degree in Mozambique	September 2018 Completed	CNAQ – Ministry of Science, Technology and Higher Studies Secretariat	Staff

#	Start Date	Actions	Completion Date	Responsibility	Resource
21	On-going	Monitor the quality of Accounting degree programs delivered by Universities in Mozambique	On-going	CNAQ – Ministry of Science, Technology and Higher Studies Secretariat	Staff
22	2019	Inauguration of OCAM training Academy	2020 Agust	Secretariat	Staff
23	2016 August	Signing an addendum with TEI for Ethics for the provision of Ethics related Courses	2020 April	Secretariat	Staff
24	2020 August	Business English and IELTS Exam Preparation (to enable members' mobility and regional integration)	2020 Agust	Education Committee Secretariat	Staff
25	2020 September	Training (Ethics officers and Corporate Governance) in partnership with TEI.	2020 September	Secretariat	Staff
26	2021 September	Revision of preparation study packs and material development for OCAM Admission Exams (both Colleges).	2021 September	Education Committee Secretariat	Staff
27	On-going	Preparation Course for OCAM Admission Exams (Accountants Colleges)- Done yearly	On-going	Education Committee Secretariat	Staff
28	2021 May	Academy Courses (Catalogue)	2021 August	Secretariat	Staff
29	May 2021	Designing Portuguese Exam preparation Course for foreign Accountancy and Audit Practitioners to enable them to do OCAM admission Exams.	On-going	Education Committee Secretariat	Staff
30	2019 November	ACOA2021(CPD)	2021 November	OCAM	PAFA

Action Plan Subject: SMO 3–International Standards and other Pronouncements Issued by the IAASB
Action Plan Objective: Implement and adopt International Standards on Auditing

Background:

OCAM is responsible for the adoption and implementation of Audit Standards. All OCAM members are required to use ISAs. A contract was signed with IFAC to have access to ISAs translation in Portuguese. Moreover, a standard setting committee Board was created to follow up IAASB's work plans, adopt and promulgate auditing and attestation standards and procedures to be observed by members of the OCAM in accordance with the Institute's Bylaws and Code of Professional Conduct. ISAs as they are issued. These include enhancements to some of significant International Standards on Auditing (ISAs) and quality control standards. These enhancements are key to high-quality audits and other engagements, prioritizing and addressing key emerging public interest challenges. The IAASB's 2020-2021 work plan focuses on the impact of evolving technology, demands for reporting to meet the changing needs of stakeholders (including demands for the IAASB to consider non-financial reporting), and changing expectations for the audit in relation to matters such as fraud and going concern.

According to <u>article 46 of the Decree 9/2008 dated 16th of April</u>, public interest companies and big companies, who perform auditing and other related professional services have been required to comply with Statements on Auditing Standards promulgated by IAASB and must submit their tax forms with a copy of an audit report. In case there is an update on ISA's, it is usually included in the CPD calendar and as a matter of fact, ISA's are also included in the exam to the Auditors college conducted by OCAM.

OCAM board is committed to adopt all audit standards issued by IAASB, hence the 2019 newly revised version of the standards is now being used by OCAM members in the jurisdiction. Furthermore, "a train the trainer programme" on ISAs was conducted in 2019 to keep the trainers up to date. This training is carried out by the standard setting committee Board.

Action Steps:

#	Start Date	Actions	Completion Date	Responsibility	Resource
Supporting Adoption of ISAs					
1	October 2016	Establishment of a Standard Setting Committee Board	November 2017 Concluded	General Council	Staff
2	July 2016	Contact IFAC/IAASB Portuguese translated version of ISAs – The [2018 Handbook of International Quality Control, Auditing, Review, Other Assurance, and Related Services Pronouncements](#) is the latest version of the standards available in Portuguese.	2019 Concluded	Secretariat	Staff

#	Start Date	Actions	Completion Date	Responsibility	Resource
3	On-going	Promote the ongoing adoption process – Done by the board monitors all new IAASB pronouncements	On-going	Standards Setting Committee/Sec retariat	Staff
Support Implementation of Auditing Standards					
4	On-going	Provide trainings and discussion forums – Done in IPD and CPD	On-going	Secretariat	Staff
8	On-going	Include international standards on Auditing and other pronouncements of IAASB into CPD Activities	On-going	Secretariat	Staff
9	On-going	Disseminate information on the updates to the international standards on Auditing and other pronouncements of IAASB in the website and printed materials such as magazines – Done, included in OCAM's newsletter	On-going	Secretariat	Staff
Participating in International Standards-Setting					
10	On-going	Provide comments to IAASB exposure drafts – Done through PAFA Technical Forum	On-going	Secretariat	Staff
11	On-going	Contribute to public consultations – Done through PAFA Technical Forum	On-going	Secretariat	Staff

Action Plan Subject: SMO 4–IESBA Code of Ethics for Professional Accountants
Action Plan Objective: Implementation of Ethics Standards to all OCAM members

Background:

OCAM's resolution 5/GB/2014 approves IFAC Code of Ethics to all Professional Accountants.

OCAM is the only body that has the mandate to set ethical requirements to all professional accountants in Mozambique.

OCAM has adopted IESBA Code by reference; however, translation and dissemination are a challenge as the IESBA Code of Ethics is not translated into Portuguese. OCAM submitted a request to translate the 2016 IESBA Code of Ethics, however due to demand from members we translated the 2016 IESBA Code and 2018 Restructured Code into Portuguese and currently there is a need to translate the 2020 edition. All pronouncements of IESBA are disseminated in the Newsletter. OCAM bears sole responsibility over this SMO.

OCAM, through its Academy, signed an MoU with the institute of Ethics (TEI) to provide Ethics training as part of CPD program to the members.

OCAM Code of Professional Conduct/ Code of Ethics can be downloaded from the website. Moreover, OCAM rrevised and made available the translation into Portuguese of the IFAC Code of Ethics.

Action Steps:

#	Start Date	Actions	Completion Date	Responsibility	Resource
Convergence with IESBA Code of Ethics					
1	June 2016	Provide timely, accurate and complete translation of the 2016 IESBA Code of Ethics	August 2016 Completed	Secretariat	Staff
2	June 2018	Provide timely, accurate and complete translation of the IESBA Restructured Code	August 2018 Completed	Secretariat	Staff
3	On-going	Monitor amendments to the IESBA Code and other IESBA outputs – Amendments are included on timely basis	On-going	Standards Setting Committee Secretariat	Staff
4	On-going	Raise awareness of ethical challenges facing members – Done – Included in IPD and CPD of both colleges	Done 2020 On-going	Secretariat	Staff

#	Start Date	Actions	Completion Date	Responsibility	Resource
Support Implementation of Professional Code of Ethics					
5	On-going	Provide training regarding the IESBA Code of Ethics – Done, included in IPD and CPD	Completed On-going	Secretariat	Staff, classroom
6	July 2018	Include topics related to IESBA Code of Ethics into CPD activities **– Done included in 2018 CPD Calendar**	August 2018 Completed	Secretariat	Staff
7	May 2016	Disseminate information on the updates to the IESBA Code of Ethics through website and magazines. - Done included in OCAM's Newsletter	Completed On-going	Secretariat	Staff
8	May 2016	Monitor changes to the IESBA Code of Ethics and implement within the OCAM framework. Board Monitors all IESBA pronouncements	Ongoing	Standards Setting Committee/Secretariat	Staff
Contributing to International Standard-Setting					
8	On-going	Providing comments to the IESBA exposure drafts – Done through PAFA Technical Forum	On-going	Secretariat	Staff
9	On-going	Contribute to public consultations – Done through PAFA Technical Forum	On-going	Secretariat	Staff
10	2019	Revision and translation of the IFAC Code of Ethics and available on the OCAM website.	2019 Completed	Standards Setting Committee/Secretariat	Staff
11	2020 March	signed an MoU with the institute of Ethics (TEI) to provide Ethics training – addendum for the training academy	2020 April Completed	Secretariat	Staff

Action Plan Subject: SMO 5–International Public Sector Accounting Standards and Other Pronouncements Issued by the IPSASB
Action Plan Objective: Continue notifying the government about the use of IPSAS

Background:

The Law 9/2002 dated 12 of February creates Public Sector Accounting System and establishes Cash Basis Accounting has the nature of public sector accounting standards in Mozambique. The Ministry Council is the body responsible for adopting public sector accounting standards.

In Mozambique, public sector entities were using a cash and commitment basis accounting model. This model is outdated, it is not sufficiently reliable, and lacks essential information to enable performance measurement and high-quality financial reporting. Hence, the need for adoption of IPSAS. Therefore, OCAM in conjunction with the Ministry of Economy and Finance has created a task force to spearhead the adoption process. One key milestone achievement, resulting from this synergy, is the passing of the SISTAFE law by the Government. The law establishes public sector accounting on an accrual basis, which is the IPSAS principle. OCAM played a very important role in the revision of the law and will continue to support the public sector in the implementation of IPSAS to enhance public service provision in the areas of health, education, infrastructure, agriculture and etc;

Tanzania was mentioned by IFAC in 2019 as one of the countries worldwide that has achieved substantial progress in implementing IPSAS based Commitment-Based Accrual Accounting and is therefore an example to follow. In November 2019, a delegation from Mozambique visited the National Board of Accountants and Auditors (NBAA), Tanzania- Dar-es-Salam, aiming at:

- collecting experience in the implementation of the International Public Sector Accounting Standards (IPSAs), since Tanzania is a worldwide success case in adopting the IPSAs;

- Identification of concrete actions that can be taken in the relationship between the institutions of the two countries aiming at the implementation of IPSAS in Mozambique;

- Negotiation of a Memorandum of Understanding between OCAM and NBAA.

The MoU with NBAA- Tanzania has not yet been signed, we are looking forward to inviting the delegation from NBAA to participate in ACOA2021, sign the MoU and support OCAM to design an effective Roadmap for the implementation of IPSAS in the jurisdiction.

Currently, IPSAS are included in the examination process for the College of Auditors and also in CPDs.

OCAM is utilizing best endeavours to encourage a change to an accruals-based system. In 2020, OCAM Prepared a Concept Note for IMF on the adoption of IPSAS; Accounting standards reforms through the creation of PFM working group. However, this initiative was disrupted and held up by COVID-19.

Action Steps:

#	Start Date	Actions	Completion Date	Responsibility	Resource
Promoting Adoption of IPSASs to Mozambican government					
1	January 2016	Raise awareness of the government about IPSAS's through meetings with top level government officers – We have met senior government officials including the prime minister	Completed On-going	General Council/Secretariat	Staff
2	November 2016	Create and roll out a marketing plan for the engagement of public sector trainee auditors and accountants – Done 2 seminars were organized and the topic has been included in IPD	Completed On-going	Committee/Secretariat	Staff
3	Ongoing	Confirm and agree the syllabus and curricula for both the public sector accountant and auditor examination pathway	Ongoing	Secretariat	Staff
4	On-going	Prepare study packs and material development for all subjects	On-going	Secretariat	Staff
5	On-going	Prepare sample examination questions	On-going	General Council/Secretariat	Staff
6	On-going	Deliver flagship teaching program for trainee public sector accountants/auditors	On-going	General Council/Secretariat	Staff
7	On-going	Deliver "Train the Trainer" program	On-going	Standards Setting Committee/Secretariat	Translated Standards Provided by IFAC
8	On-going	Prepare and carry out accreditation of education partners	On-going	Standard Setting Forum/General Council	Staff
9	On-going	Encourage E-Learning	On-going	Secretariat	Staff
10	On-going	Run pilot Examinations	On-going	Secretariat	Staff

#	Start Date	Actions	Completion Date	Responsibility	Resource
11	On-going	Run first set of formal examinations	On-going	Secretariat	Staff
12	2018 June	Appointment of a government representative by Order of the Minister of Economy and Finance to be part of the Council of Associates and work with OCAM in the adoption and implementation of IPSAS in the jurisdiction.	2018 June	Minister of Economy and Finance	Standards Setting Committee
13	On-going	Invite NBAA-Tanzania the Signing of an MoU and participate in ACOA2021	2021 November	Standards Setting Committee/Secretariat	Staff
14	2019 November	Meeting with NBAA-Tanzania, OCAM and the Ministry of Economy and Finance;	2021 November	Standards Setting Committee/Secretariat	Staff
15	2019 November	Drafting of the Roadmap for the implementation of IPSAS in Mozambique;	2021 November	Standards Setting Committee/Secretariat	NBAA-Tanzania
16	2021 Agust	Presentation of the Roadmap in ACOA before the President and MEF	2021 November	Standards Setting Committee/Secretariat	Staff
17	2021 Agust	Sending the roadmap to the Council of Ministers for discussion and approval	2022 January	Standards Setting Committee/Secretariat	Staff
18	2021 August	Passing of the law and implementation	2022 May	Council of Ministers	Staff
Support Implementation of National Public Sector Accounting Standards					
19	September 2016	Provide training – Done included in IPD and CPD	Completed On-going	Secretariat	Staff
20	September 2016	Include IPSAS's topics into CPD activities – Done included in 2017 CPD calendar and Annual Conference	Completed On-going	Secretariat	Staff

#	Start Date	Actions	Completion Date	Responsibility	Resource
21	September 2016	Disseminate information on the updates to the IPSAS's through website and magazines. - Done by OCAM's Newsletter	Completed On-going	Secretariat	Staff
22	2020 December	OCAM supported the Government on the revision and implementation of SISTAFE Law approved by Decree 14/2020).	<u>2020 December</u>	Government	OCAM
Participate in international standards-setting					
23	September 2016	Provide comments to the IPSASB exposure draft – Done Through PAFA Technical Forum	Ongoing	Secretariat	Staff
24	September 2016	Contribute to public consultation – Done Through PAFA Technical Forum	Ongoing	Secretariat	Staff

Action Plan Subject: SMO 6–Investigation and Discipline
Action Plan Objective: Create an investigation and discipline system

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Background:

Accountants and Auditors may be reported to OCAMs Judicial Council for violations of their obligations as professional accountants, breaches of the IESBA Code of Ethics, negligence and professional deficiencies. In the first quarter of 2021, the Council considered 9 cases.

A Disciplinary regulation was created in April 2014 by the resolution 8/GB/2014 and is implemented through the Judicial Council that was created by the OCAM Statutes and bylaws. The regulation is available on the website and articles are published regularly regarding the most common misconducts. Both Complaint-based and information-based approach is in place. Complaints are received from members, their clients and employers, but the proceedings can also be initiated by information in the newspapers and other publicly available information.

The Judicial Council has four separate divisions: Investigation, Disciplinary, Rights representative and Tribunal, which is the body that investigate the cases and decide on which disciplinary measures to apply. All these members are independent and are constituted by members and non-members. The majority of Tribunal members are non-members.

The disciplinary system allows the following penalties: Verbal Warning, Written Warning, Fines, Censorship, and Suspension from 30 days to 5 years, exclusion from membership. The timeframe for disposal of cases is determined by the Civil Law. The Judicial Council has a secretariat that keeps all the documents and track of the processes. However an online tracking system is under construction. The results of all disciplinary and investigation proceedings are normally made available in the annual reports. OCAM has been working closely with the Attorney General office and the Central Office of Anti-Corruption and there is an appropriate process for liaison with this bodies.

New investigations were initiated. These included enquiries or allegations of improper conduct received by the business owners and the tax authorities, as well as investigations initiated by the OCAM itself. This figure represents only matters where a case file is opened, and excludes matters conciliated on an informal basis, or at an early stage, without the necessity of a case file being opened. These investigations concerned practitioners across the spectrum of the smallest firms, and across a wide spectrum of conduct. Three matters were finalized after a case file had been opened, usually after resolution with the assistance of the directorate. There is an administrative court for members to appeal but so far no one has gone to this.

Action Steps:

#	Start Date	Actions	Completion Date	Responsibility	Resource
Disciplinary System					
1	January 2016	A system of investigation, discipline and appeals exists for the accountancy profession. The system is operational. - -it is operation	June 2016 Completed	Judicial Council	Staff
2	January 2016	Information about the types of misconduct, which may bring about investigative actions, is publicly available. Done – Available in website and published in the Newsletter	December 2016 Completed	Judicial Council Secretariat	Staff
Initiation of Proceedings					
3	June 2016	Both a "complaints-based" and an "information-based" approach are adopted. – Done include un the Procedures Manual	December 2016 Completed	Secretariat	Staff
4	On-going	Link with the results of QA reviews has been established.	On-going Completed	Secretariat	Staff
Investigative Process					
5	October 2013	A committee or similar body exists for performing investigations – The Constitution created the Judicial Council	January 2014 Completed	Judicial Council/Secretariat	Staff
6	October 2013	Members of a committee are independent of the Board of OCAM and of the subject of the investigation and other related parties.- All not members of the Board	January 2014 Completed	Judicial Council	Staff
Disciplinary process					

#	Start Date	Actions	Completion Date	Responsibility	Resource
7	March 216	A separate disciplinary committee/entity exists to make disciplinary decisions on referrals from the investigation committee.	February 2016 Completed	Judicial Council	Staff
8	March 2016	Members of the committee/entity include professional accountants as well as non-accountants.	June 2016 Completed	Judicial Council	Staff
9	February 2014	The tribunal exhibits independence of the subject of the investigation and other related parties.	June 2014 Completed	Judicial Council	Staff
Sanctions					
10	April 2014	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. – Included in the law - Done	June 2014 Completed	General Council/Judicial Council	Staff
Rights of representation and appeal					
11	August 2016	A third appeals body exists which is separate from both the disciplinary committee and investigative committee and the Board of OCAM. – Administrative Court	November 2016 Completed	Judicial Council	Staff
Administrative Process					
12	April 2014	Timeframe targets for disposal of all cases are set. – 4 months	January 2015 Completed	Judicial Council	Staff
13	November 2016	Tracking mechanisms to monitor progress in investigation and discipline and related procedures are established. – I&D secretary was recruited to monitor all cases	Completed Ongoing	Secretariat	Staff

#	Start Date	Actions	Completion Date	Responsibility	Resource
14	January 2016	Records of investigations and disciplinary processes are established. – The secretary organizes all the records	Completed Ongoing	Secretariat	Staff
Public Interest Considerations					
15	March 2016	Activities are supported to ensure that the public is aware that an investigative and disciplinary system exists in the jurisdiction. A Quarterly report is issued with most common findings	Completed On-going	Secretariat	Staff
16	On-going	A process for the independent review of complaints on which there was no follow-up is established. – Procedures manual	On-going	Judicial Council	Staff
17	June 2016	The results of the investigative and disciplinary proceedings are made available to the public. – Available in the website, newsletter and sent by email to members	Completed On-going	Secretariat/Judicial Council	Staff
Liaison with Outside Bodies					
18	April 2016	There is an appropriate process for liaison with outside bodies on possible involvement in serious crimes and offences. – Done we do communicate regularly with Judicial institutions	Completed On-going	Judicial Council	Staff
Regular review of implementation and effectiveness					
19	August 2016	Regular review of implementation and effectiveness of the system are performed and corrective actions are implemented. Done Quarterly	Completed On-going (Annually)	Judicial Council	Staff

Main Requirements of SMO 6

Requirements	Yes	No	Partially	Comments
Scope of the System 1. A system of investigation, discipline and appeals exists for the accountancy profession. The system is operational.	☒	☐	☐	The Judicial Council is charged with the responsibility of investigation, discipline and appeals. It has handled a number of cases since its establishment.
2. Information about the types of misconduct which may bring about investigative actions is publicly available.	☒	☐	☐	The regulations that contain the types of misconduct that trigger investigative action are publicly available.
Initiation of Proceedings 3. Both a "complaints-based" and an "information-based" approach are adopted.	☒	☐	☐	OCAM follows a complaint-based and information based approach.
4. Link with the results of QA reviews has been established.	☒	☐	☐	The regulation provides that where a firm/partner fails audit quality reviews twice, such firm/partner shall be subjected to disciplinary process.
Investigative Process 5. A committee or similar body exists for performing investigations.	☒	☐	☐	This is the responsibility of the Judicial Council.

Requirements	Yes	No	Partially	Comments
6. Members of a committee are independent of the subject of the investigation and other related parties.	☒	☐	☐	When a complaint is received, the potential conflicts of interest are dealt with to ensure that the process is independent both in fact and by appearance.
Disciplinary Process 7. A separate disciplinary committee/entity exists to make disciplinary decisions on referrals from the investigation committee.	☒	☐	☐	This is the responsibility of the Judicial Council.
8. Members of the committee/entity include professional accountants as well as non-accountants.	☒	☐	☐	The Judicial Council membership includes members of the legal profession.
9. The tribunal exhibits independence of the subject of the investigation and other related parties.	☒	☐	☐	The adjudication process is required to exhibit independence, in both fact and appearance with all related parties.
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.	☒	☐	☐	The law provides a list of applicable sanctions and includes (a) loss of professional designation; (b) restriction and removal of practicing rights; and (c) exclusion from membership. It also includes a possibility of a fine.

Requirements	Yes	No	Partially	Comments
Rights of Representation and Appeal 11. A third appeals body exists which is separate from both the disciplinary committee and investigative committee.	☒	☐	☐	Where a member is dissatisfied with the outcomes of the Judicial Council processes, the law gives them the right to appeal to the Administrative Courts.
Administrative Processes 12. Timeframe targets for disposal of all cases are set.	☒	☐	☐	The Law provides that the time frame from commencement of investigation to conclusion of a complaint must not exceed four months.
13. Tracking mechanisms to monitor progress in investigation and discipline and related procedures are established.	☒	☐	☐	Under the law establishing the Judicial Council, it is independent body is not subject to interference, unless the four months are exceeded.
14. Records of investigations and disciplinary processes are established.	☒	☐	☐	Under the law all record of investigation and disciplinary processes are documented and achieved.
Public Interest Considerations 15. Activities are supported to ensure that the public is aware that an investigative and disciplinary system exists in the jurisdiction.	☒	☐	☐	Public awareness activities are carried out by OCAM to bring to the attention of the members of the public of the existence of complaints mechanism and the investigative and disciplinary systems
16. A process for the independent review of complaints on which there was no follow-up established.	☐	☒	☐	The judicial council has no power to ignore a complaint received.
17. The results of the investigative and disciplinary proceedings are made available to the public.	☒	☐	☐	The Judicial Council is mandated to make public the outcome of the processes.

Requirements	Yes	No	Partially	Comments
Liaison with Outside Bodies 18. There is an appropriate process for liaison with outside bodies on possible involvement in serious crimes and offences.	☒	☐	☐	OCAM has an MOU with the Attorney General's Office to refer all criminal offences to that Office for appropriate action.
Regular Review of Implementation and Effectiveness 19. Regular review of implementation and effectiveness of the system are performed and corrective actions are implemented.	☒	☐	☐	As the complaints, investigative, disciplinary and appeals processes are been implemented the outcomes will inform the need to review their effectiveness and carry out corrective actions.

Action Plan Subject: SMO 7–International Financial Reporting Standards and Other Pronouncements issued by the IASB
Action Plan Objective: Promote the use of Accounting Standards

Background:

According to the Law 8/2012 dated 8 February, OCAM has the mandate to set technical standards taking into account international standards issued by IFAC. Hence, OCAM has created a standard setting committee, this body includes OCAM members and representatives from the following institutions: Central Bank, Insurance Regulator and the Stock Exchange.

Due to lack of experience, OCAM signed in September 2018 an agreement with the Standard Setting Body (CNC-Portugal) to support in capacity building and to provide Portuguese translations on timely basis of IFRSs.

Before the creation of OCAM, the Ministries Council adopted the 2008 version of IFRSs by the decree 70/2009 dated 22 December. Banks and Insurance companies must use most recent IFRS.

All private companies and Small and Medium Enterprises use full IFRS or IFRS for SME's approved by the decree mentioned above.

OCAM receives regular IFRS updates from IASB/IFRS foundation.

OCAM uses the latest version of IFRS in IPD and CPD. The latest IFRS are used by the lecturers and students in the examination process to access in the Accountants College and College of Auditors and the CPD activities incorporate IFRS as well.

In 2019 OCAM alongside with CNC-Portugal, in partnership with FAN, provided a training (workshop) on newly updated IFRSs and OCAM continues providing IFRS Courses at the OCAM Academy on regular basis.

IFRS foundation was already consulted, and OCAM has a full subscription to all IFRS and other pronouncements. Hence all pronouncements are published in the Newsletter and Website.

Action Steps:

#	Start Date	Actions	Completion Date	Responsibility	Resource
Supporting Adoption or Convergence of Mozambique accounting standards with IFRSs					
1	April 2016	Consult with IFRS Foundation about Portuguese translations of IFRS and other pronouncements – Done OCAM has subscribed to IFRS foundation to receive	Completed On-going	Secretariat	Staff

#	Start Date	Actions	Completion Date	Responsibility	Resource
		electronic and physical IFRS manuals.			
2	November 2013	Raise awareness of IFRS with government and other key stakeholders. - Met with several government officials including the PM	Completed On-going	General Council/Secretariat	Staff
3	January 2014	Promote adoption with government – Seminars and published in Newsletter	Completed Ongoing	General Council/Secretariat	Staff
4	March 2014	Provide IFRS training to members	Completed Ongoing	Secretariat	Staff
5	August 2017	Promote the establishment of on-going adoption process. – Standards Setting Committee created	March 2018 Completed	Standard Setting Committee/Secretariat	Staff
Support Members with Implementation of accounting standards					
6	March 2014	Provide training regarding IFRSs – Done in IPD and CPD	Completed On-going	Secretariat	Staff
7	March 2014	Include IFRS topics into CPD activities – Done included in 2021 CPD calendar	Completed On-going	Secretariat	Staff
8	June 2016	Disseminate information on the updates to IFRS developments in through website and magazines. – Done by OCAM website and Newsletter	Completed Ongoing	Standard Setting Committee	Staff
Maintaining On-going Processes					
9	November 2016	Participate in international standard-setting – Participated in IFRS foundation events	Completed On-going	General Council	Staff
10	On-going	Provide comments to the IASB drafts – Done through PAFA Technical Forum	On-going	Secretariat	Staff

#	Start Date	Actions	Completion Date	Responsibility	Resource
11	On-going	Contributing to public consultation – Done through PAFA Technical Forum	On-going	Secretariat	Staff
12	2018 September	Workshop for the creation of the Accounting Standards Setting Committee conducted by CNC-Portugal	2018 September	Standard Setting Committee /Secretariat	Staff
13	2019 November	Approval of the law that aims at the creation of the Accounting Standards Setting Committee.	2019 November	General Council	Staff