

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:	Cayman Island Institute of Professional Accountants (CIIPA)
Approved by Governing Body:	CIIPA Council
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Next Update:	April 2026

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.

IFAC's Summary Assessment: IFAC staff will complete this section at the conclusion of each SMO Action Plan review and update process. PAOs are encouraged to take staff's recommendation into consideration as part of future strategic planning conversations at the PAO.

For more information on [IFAC Member Compliance Program](#) and the legends used to describe the status of adoption of international standards, best practices, and fulfillment of SMO requirements, please refer to the Status of Adoption [methodology](#) and SMO Fulfillment [methodology](#).

FOR IFAC COMPLETION	PAO Level of Responsibility for Adoption	Adoption Status as of 2022	Level of SMO Fulfillment as of 2022
QA / SMO 1	Shared	 Adopted	 Sustain
IES / SMO 2	Shared	 Adopted	 Sustain
ISA / SMO 3	Shared	 Partially Adopted	 Sustain
IESBA / SMO 4	Direct	 Adopted	 Sustain
IPSAS / SMO 5	No Direct	 Adopted	 Sustain
I&D / SMO 6	Shared	 Adopted	 Sustain
IFRS / SMO 7	No Direct	 Not Adopted	 Review & Improve

Attestation of SMO Compliance

The **Cayman Islands Institute of Professional Accountants (CIIPA)** has developed an Action Plan to demonstrate how it fulfills the requirements of the SMOs (revised in 2012). The abovementioned *Governing Body* has reviewed the information contained within the SMO Action Plan and affirms that the **CIIPA** continues to undertake these and other relevant actions to maintain ongoing compliance and fulfillment of the membership obligations where IFAC's assessments are at *Review & Improve* and/or *Sustain*. In areas where IFAC's assessments are at *Execute, Plan, Consider, or Not Active* the **CIIPA** has updated the Action Plan to reflect the specific actions to adopt or support adoption and support implementation that must be taken to achieve the improvement accompanied by a timeline.

On behalf of the **CIIPA**, the *Governing Body* endorses the information contained within the SMO Action Plan as of the publication date and its publication on the IFAC website in the interests of transparency and to demonstrate our commitment to enhancing the quality and credibility of the accountancy profession worldwide.

GLOSSARY

AA	Accountants Act
AOA	Auditors Oversight Authority
CEO	Chief Executive Officer
CIG	Cayman Islands Government
CIMA	Cayman Islands Monetary Authority
CIIPA	Cayman Islands Institute of Professional Accountants
DRS	Director of Regulation and Standards
EC	Ethics Committee, CIIPA
FSA	Financial Services Agency, Japan
GAAP	Generally Accepted Accounting Principles
GAAS	Generally Accepted Auditing Standards
IAASB	International Auditing and Assurance Standards Boards
IAESB	International Accounting Education Standards Board
IEPS	International Education Practice Statements for Professional Accountants
IES	International Education Standards for Professional Accountants
IESBA	International Ethics Standards Board for Accountants
IFAC	International Federation of Accountants
IFIAR	International Forum of Independent Auditor Regulators
IFRS	International Financial Reporting Standards
IPSAS	International Public Sector Accounting Standards
MC	
ISA	International Standards on Auditing
MC	Management Committee
MLC	Membership and Licensing Committee, CIIPA
MEC	Membership Engagement Committee, CIIPA
OPAI	Overseas Professional Accounting Institute
PPC	Public Practice Committee, CIIPA
PSC	Public Sector Committee, CIIPA
QARS	Quality Assurance Review System
QC	Quality Committee, CIIPA
RAC	Regulatory Affairs Coordinator
TC	Training Committee, CIIPA

Action Plan Subject: General Description of Organization, Environment and Goals of the SMO Action Plan
Action Plan Objective: Describe Regulatory and Standard-Setting Framework, Governance, Challenges and Success Factors

General Background:

Professional Accountancy Organisation

CIIPA is a not for profit organisation that regulates and promotes the accounting profession in the Cayman Islands. The primary objectives of CIIPA are set out in its Memorandum of Association. For a complete list of these objectives, please visit the CIIPA Website (www.ciipa.ky). The Accountants Act directs the Memorandum and Articles of Association and the authority and duties of CIIPA and the Memorandum and Articles of Association also require and refer to approval by the Cabinet (Executive Body) of the Cayman Islands for certain actions of CIIPA.

CIIPA is responsible for licensing all practitioners that are engaged in public practice in the Cayman Islands. In addition, membership is open to accountants not engaged in public practice. CIIPA currently has more than 1,000 members, 34% of which work as auditors and 135 of those are Practitioner Members. There are 46 firms registered with CIIPA as public practice firms. The accounting and auditing profession is large relative to the total population of the Cayman Islands (63:1).

CIIPA was admitted as a Full Member of the International Federation of Accountants in 2013 having been an Associate Member since 2008.

CIIPA Governance Framework

A Council is elected annually by its membership and is subject to the Memorandum and Articles of Association of the Institute in addition to the legislation. A number of Committees are established, all of which have charters. <http://ciipa.ky/Committees> The framework is established and continued in accordance with the IFAC Guide: Establishing Governance. CIIPA's operations are led by a CEO supported by a COO, together with technical and administrative staff. CIIPA works closely with CIIPA Council with respect to strategic and business planning activities.

Regulation of the Accountancy Profession

The primary legislation is the Accountants Act (2020 Revision) ("AA") and secondary legislation is the Accountants (Application for Membership) Regulations, Accountants (Quality Assurance) Regulations and the Accountants (Disciplinary) Regulations. The AA provides for the licensing by CIIPA of those engaged in public practice (Assurance Engagement Partners), the registration of other accountants, students, associate members and public practice firms. The Regulations prescribe on going requirements including continuing professional development requirements in accordance with the International Education Standards, auditing standards and quality control standards for public practice firms.

The entry requirements for membership are based on recognition of the qualifications of other prescribed Institutes. Where applicants are from Institutes that are not recognised then the education and experience of the applicant is assessed to determine competence. In practice almost all new applications and more than 98% of current members are from recognised Institutes.

For the licensing of a Practitioner Member the professional and legal status is assessed and also the honesty, integrity, competence and

capability. A Policy on Competence and Capability for Practitioner Members applies and requires the applicant to be a member of CIIPA and have at least seven years' post qualification practical experience, five years of which as an assurance professional in an approved training firm and one of the five years in audit must be within the last 2 years at the time of application and at a supervisory or managerial level on an assurance engagement team or above.

- CIIPA is required by the Accountants Act to maintain a register of members and this is posted to the CIIPA website. In addition, Practitioner Members are listed separately. This list is also published in the Official Gazette of the Cayman Islands.
- The Continuing Professional Development ("CPD") of all members is monitored by means of an annual declaration and an audit of a random sample of members is conducted annually. All practitioner members' CPD is reviewed at least once every five years.

The CPD of some members in public practice firms is indirectly monitored by means of the Quality Assurance Review Process (see SMO 1 below);

- The CPD requirement is prescribed in the Accountants (Application for Membership) Regulations. By default, the member will be subject to the requirement of the Overseas Professional Accountancy Institute unless none applies to the member or it does not comply with IES7. All practitioner members must comply with the CPD requirement prescribed in the Accountants (Application for Membership) Regulations.
- CIIPA has maintained an Investigation & Disciplinary system since 2006 and the relevant provisions are included in the Accountants Act and the Accountants (Disciplinary) Regulations (for more detail see SMO 6 below).

A Memorandum of Agreement with CIMA, the financial services regulator, to replace a previous Protocol that was executed in 2007 and provide for co-operation regarding Quality Assurance Reviews and more practical co-operation with respect to the licensing process, was drafted following discussions with CIMA in 2016. This will assist CIIPA in ensuring that all public practice is licensed and that all public practice firms are subject to Quality Assurance Reviews. In addition to its role as described above, at the end 2017 CIIPA became the AML Supervisory Authority for accounting firms and is charged with:

registering all accounting firms,

monitoring and acting to ensure compliance with the Law and Regulations for those firms carrying on relevant financial business, and

- issuing guidance, directives and procedures for the accounting profession in the Cayman Islands.

Consequently, in addition to the 46 public practice firms registered pursuant to the Accountants Act there are 86 other accounting service providers ("ASP") registered with CIIPA.

#	Start Date	Actions	Completion Date	Responsibility	Resources
<i>Update IFAC Action Plan</i>					
1.	Annually	Review tasks arising from Action Plan relating to IFAC obligations that do not fall within remit of other Committees.	Annually	MC	CIIPA
2.	September 2016	Pursue the execution of MOU with CIMA.	Ongoing	MC	CIIPA
3.	2021	Harmonization of primary and secondary legislation	2023	MC	CIIPA

Action Plan Subject: SMO 1–Quality Assurance
Action Plan Objective: Maintain Quality Assurance Review Programme

Background:

A mandatory QA review system is in place in the jurisdiction for all assurance engagements. This is provided for by the Accountants Act that requires all accountants in public practice be licensed and that all firms engaged in public practice be registered with CIIPA, abide by ISQC1 and ISAs or US GAAS and be subject to a quality assurance review every three years. During 2015–2016 CIIPA assisted with necessary legislative amendments and additions to the legislation to provide more specific sanctions and powers for QARS and to specify the auditing and quality control standards to be enforced.

CIIPA is empowered by the Accountants (2020 Revision) Act and the Accountants (Quality Assurance) Regulations to conduct QA reviews and the Auditors Oversight Authority is empowered by the Auditors Oversight Act to conduct inspections of public practice firms that audit market traded and other specified and designated companies. Thus, there is an overlap in responsibilities of CIIPA and the AOA with respect to CIIPA registered firms that are also AOA Registered Firms. There are currently 46 firms registered with CIIPA and thereby subject to review in the second QARS cycle and 1 of these firms is also registered with the AOA with one engagement within the scope of the AOA. This effectively reduces the materiality of the AOA's responsibility for quality assurance and discussions are underway to review the two systems with a view to greater efficiency whilst meeting international standards.

The AOA was established by means of the Auditors Oversight Act 2011.

CIIPA established its system of quality assurance ("QARS") for all entities regardless of their inclusion in the scope of the Auditors Oversight Act. All Practitioner Members are subject to review by means of the QARS and reviews encompass the practitioner member firm's quality control procedures. The first three-year review cycle started in July 2013 the second in 2017 and the third in 2020.. The Act provides for legal authority for QARS from the registration of firms. The Accountants (Quality Assurance) Regulations mandate ISQC1 as the quality control standard and provide for the application of auditing standards, sanctions and powers of CIIPA for the review system.

A Memorandum of Understanding was agreed in 2016 to clarify the responsibilities of CIIPA and AOA with respect to these firms and provide for cooperation and exchanges of information. CIIPA could carry out QA reviews of all audits. Co-operation will inform the scheduling of visits and for firms that are AOA registered. CIIPA will conduct its own reviews but may not include the AOA audits in its selections. In the event of deficiencies, CIIPA will delay undertaking an investigation, if the AOA is already or planning to investigate. CIIPA would subsequently determine appropriate action.

QARS reviews encompass all assurance engagements (audits and reviews) according to ISQC1 which is consistent with the licensing requirement of the AL and ISAs with a focus on ISA 220 and other equivalent standards if applicable although for cycle 1 and 2 the focus of reviews has been audit engagements.

The professional standards team of another IFAC member Institute ("Review Body") has been engaged since 2013 to conduct the reviews and report back to CIIPA in accordance with the standards. It performs QA Review visits to monitor registered firms and issue detailed reports for

use by CIIPA for regulatory purposes. This process has been designed to assist firms in rectifying deficiencies and making improvements to the standard of their audit work.

Various training and outreach have been conducted since the first review in September 2012, ActLawAct with the most recent in September 2021 to examine the new standards ISQM1&2 and how firms should prepare.

#	Start Date	Actions	Completion Date	Responsibility	Resources
<i>Complete Remaining Implementation Measures for Quality Assurance Review System ("QARS")</i>					
4.	September 2017	Issue public "Stakeholder Report" on QARS and continue to publish annually.	On-going	QC	CIIPA
5.	July 2021	Dialogue and support on-going national and international communications regarding the purpose of the QARS its scope, the role of CIIPA and its relationship to AOA. Continue dialogue with Ministry of Financial Services.	On-going	MC	CIIPA
<i>Supporting CIIPA Members in Implementing Quality Control Standards</i>					
6.	January 2021	Annual outreach and training on ISQC1/ISQM1&2. Finalise and publish program for 2022.	On-going	QC	CIIPA
7.	January 2015	Enhance QARS section of practitioner member section of website and include quality control related articles, resources and news on the CIIPA website and newsletter.	Completed	QC	CIIPA
8.	2021	Work with the Ministry to amend the Accountants (Quality Assurance) Regulations to effect accurate implementation of ISQM1&2	Dec 2022		

#	Start Date	Actions	Completion Date	Responsibility	Resources
<i>Promoting the Requirements of SMO 1 to AOA and Supporting AOA in Implementing Its QA System</i>					
9.	January 2017	Discharge responsibilities of MOU with AOA.	On-going	QC	CIIPA
<i>Maintaining On-going Processes</i>					
10.	December 2013	Periodic review of the operation of QARS, receive and review feedback and take action to revise QARS as necessary. Report to Council.	On-going-annually	QC	CIIPA
<i>Review of CIIPA's Compliance Information</i>					
11.	Annually	Perform periodic review of CIIPA's Action Plan and update sections relevant to SMO 1 as necessary. Inform IFAC Compliance Staff of updates as part of Compliance Program updates.	On-going-Annually	MC	CIIPA

Self-Assessment against the Main Requirements of SMO 1

Requirements	Y	N	Partially	Comments
Scope of the system 1. At a minimum, mandatory QA reviews are required for all audits of financial statements.	Y			
Quality Control Standards and Other Quality Control Guidance 2. Firms are required to implement a system of quality control in accordance with the quality control standards.	Y			
3. Most up to date versions of ISQC 1 and other relevant ISA are adopted as the quality control standards.	Y			ISQC1 is prescribed and ISAs.
4. Member Body assists firms in understanding the objectives of quality control and in implementing and maintaining appropriate systems of quality control.	Y			
Review cycle 5. A cycle-based, risk-based, or a mixed approach for selecting firms for QA review is used.	Y			MixedCycle for frequency. Risk may affect scope.
6. For cycle-based approach, quality control reviews are required to take place at least every six years (and every three years for audits of public interest entities).	Y			3 years for most firms but Act allows for 6 years.

Requirements	Y	N	Partially	Comments
QA Review Team				
7. Independence of the QA Team is assessed and documented.	Y			
8. QA Team possesses appropriate levels of expertise.	Y			
Reporting				
9. Documentation of evidence supporting the quality control review report is required.	Y			
10. A written report is issued upon conclusion of the QA review and provided to the firm/partner reviewed.	Y			
Corrective and disciplinary actions				
11. Reviewed firms/partners are required to make timely adjustments to meet recommendations from the review report.	Y			
12. QA review system is linked to the Investigation and Discipline system.	Y			
Consideration of Public Oversight				
13. The body responsible for QA reviews cooperates with its oversight body and shares information on the functioning of the QA review system, as needed.	Y			
Regular review of implementation and effectiveness				
14. Regular reviews of implementation and effectiveness of the system are performed.	Y			Reliance is placed on Review Body's review process and the Quality Committee has conducted a review of the methodology and effectiveness.

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

Action Plan Objective: Enhance review of competence of applicants from non-recognised Institutes, enhance relations with other Institutes and embed Cayman Business Law module into entry requirements

Background:

CIIPA is not responsible for the initial professional development (IPD) of professional accountants in the Cayman Islands other than to verify the IPD of applicants from other OPAs and support the needs of student members that are enrolled on approved accountancy education programmes of approved OPAs.

There is no law or regulation that defines IPD requirements for professional accountants in the jurisdiction. This is effectively determined by the Overseas Professional Accountancy Institute as recognised by CIIPA. CIIPA has a Policy on the Approval of OPAs for this purpose.

CPD requirements are prescribed in the Accountants (Application for Membership) Regulations for practitioner members and for regular members where his or her OPA does not apply a CPD requirement to him or her or the requirement is known to not comply with IES7.

Consequently, CIIPA does not have direct responsibility for compliance with IES1-6. CIIPA recognises 20 other Institutes as having complied with IES1-6 and relies on that membership or designation when admitting new members. Where persons apply from Institutes that are not recognized (less than 2% of applicants), CIIPA first reviews the Institutes' compliance with IESs. Lack of recognition is typically due to a failure by the Institute to observe IES7 and 8 rather than IES1-6 and thus CIIPA may admit the member after reviewing the CPD completed and then applying its own CPD requirement that complies with IES7.

The Accountants Act and the underlying Regulations set registration and licensing requirements. CIIPA is the body authorised and responsible for the licensing of accountants in public practice in the Cayman Islands. It also admits accountants who are not in public practice, but it is not mandatory for these to be a member of CIIPA in order to work as an accountant in the Cayman Islands. To ensure that the International Education Standards are met by all members, CIIPA sets the following requirements for licensing and registration:

Practitioner Members – Licensing Requirements

The Act provides that an applicant for a license must satisfy requirements relating to fitness and propriety that may be prescribed. The Accountants (Application for Membership) Regulation 7 require information and evidence as to the applicant's professional status and the application form solicits information as to the applicant's competence, experience and capability. CIIPA has issued a Helpsheets, in line with its Policy on competence and capability for licensing to reflect the revised IES8 and prescribes that typically applicants for a license would have at least seven years post qualification practical experience, five of which in assurance with an approved training firm and a reasonable proportion of those five years would be in the last 2 years and in supervisory or managerial roles on assurance engagement teams.

Members – Registration Requirements

More than 98% of the existing CIIPA membership originally qualified with Institutes that are IFAC member bodies that fulfil all of the IES

requirements. CIIPA formally recognises 20 Institutes as meeting the IESs and applicants from which benefit from a presumption of satisfactory competence, whilst still allowing for registrations of applicants from other Institutes, for which the applicant's competence is assessed and for which the Institute's fulfilment of the IESs, is just one component. All applications for membership must also include some evidence of good character which may take the form of a letter from current or previous employer, or professional person who has known applicant for at least two years. This letter is often also used as evidence of the applicant's practical experience. In 2021 CIIPA made provision for a new category of retired members. Per the Act these are effectively regular members and must continue to maintain CPD if they continue to work as a professional accountant. The main feature of this membership is the waiver of the membership fee.

Associate Members-Registration Requirements

The Accountants Act extended Associate membership to persons that cannot comply with the initial qualification or on-going requirements of regular members. Associate members are not included on the Register of Members and are not subject to Investigation and Disciplinary processes.

Student Members-Registration Requirements

Persons qualify for student membership if undertaking a recognised course of accounting study and are Caymanian or legal residents in the Cayman Islands. CIIPA is not an accounting education programme provider and any student member qualifies according to the requirements of the recognised Institute including with regard to gaining practical experience. Currently the recognised courses are those qualification programmes with recognised institutes and any tertiary accountancy degree award programmes. Each application for regular membership made after qualifying is treated in the same way as an application from a person that was not previously a student member.

Related Documentation

CIIPA's policies & procedures on Member and Licensing Registration and Renewal are communicated to members by means of Helpsheets:

Helpsheet; Applying for and Renewing a Public Practice Licence

Helpsheet: Applying for Regular Membership

Helpsheet: Applying for Associate Membership

Helpsheet: Applying for Student Membership

Every practitioner member is sampled for CPD monitoring every five years and 2% of regular members are sampled annually). Further information on meeting the CPD requirement is set out in the Helpsheet: Meeting CPD Requirements.

Many firms on island require its new employees to complete Cayman business environment training or orientation when first joining the company. CIIPA developed its own course to ensure availability for all new members. This was first delivered in 2015.. In 2021 the course was revised and renamed 'Cayman Business Law'. The course and/or accompanying assessment is to become a condition of registration.

#	Start Date	Actions	Completion Date	Responsibility	Resource
<i>Assessment of Professional Competence and Capacity (IES 6)</i>					
12.	January 2017	Refine and expand options for qualifying in Cayman Islands. Work currently underway. There is a proposal to administer a joint exam scheme with ACCA.	January 2023	MC	CIIPA
13.	January 2022	Devise policy and implement on the criteria for training firms.	December 2022	MC	CIIPA
<i>Continuing Professional Development/Education Requirements (IES 7)</i>					
14.	November 2014	Apply for approval as training provider by NASBA so US members can apply attendance of CIIPA training courses towards meeting US CPE requirements. This item was pending approval of the Accountants Act 2016 and will be resumed in 2017. CIIPA is launching an international conference in November 2017 in partnership with AICPA and all sessions will be NASBA accredited.	Completed	TC	CIIPA
15.	November 2014	Continue to clarify and promote CPD requirement of CIIPA and other Institutes and raise awareness of monitoring process.	On-going	TC	CIIPA
<i>Maintaining On-going Processes</i>					
16.	January 2022	Periodic review of the operation of the arrangements for observance of IES 5, 6, 7 and 8.	On-going-	MC	CIIPA
<i>Review of CIIPA's Compliance Information</i>					
17.	Annually	Perform periodic review of CIIPA's Action Plan and update sections relevant to SMO 2 as necessary. Inform IFAC Compliance Staff of updates as part of Compliance Program updates.	On-going-Annually	MC	CIIPA

Action Plan Subject: SMO 3–International Standards and Other Pronouncements Issued by the IAASB
Action Plan Objective: Promote IAASB Pronouncements

Background:

The Accountants (Quality Assurance) Regulations 2016 specify that auditing and assurance engagements provided by a licensed practitioner or public practice firm shall be conducted in accordance with standards issued by (a) the International Auditing and Assurance Standards Board; or (b) the Generally Accepted Auditing Standards promulgated by the Auditing Standards Board, a division of the American Institute of Certified Public Accountant, or with any standards assessed as equivalent to those standards by the Institute or the International Auditing and Assurance Standards Board. The reason that standards other than those of IAASB may be used is because international financial services are tied to the US which has not adopted ISAs.

CIIPA is committed to compliance with SMO 3 and to promote ISAs. Practitioner Members must not assert that they have conducted an audit in accordance with ISAs unless they have adhered to all ISAs as published and applicable at the relevant time, or as modified in the limited respects set out in the IAASB’s policy statement on modification to its standards. The Accountants (Quality Assurance) Regulations also require compliance with the professional standards referred to in the firm’s assurance report and related quality control standard and any procedures of the firm. Links to IAASB are posted on the CIIPA website.

Other pronouncements issued by the IAASB such as International Standards on Review Engagements (ISREs), International Standards on Assurance Engagements (ISAEs), International Standards on Related Services (ISRSs) have not been adopted but the International Standards on Quality Control (ISQCs) is prescribed in the Accountants (Quality Assurance) Regulations.

The Policy: Responding to Legislative and Policy Consultations, provides for contributions to IAASB consultation drafts, and annual training includes IAASB standards.

A procedure is in place for the practical aspects of organising training events and an annual training schedule is devised to include GAAS updates and IAASB pronouncements. Due to a number of challenges and new circumstances brought about in 2020, CIIPA conducted its first Thematic Review of Public Practice Firms which included preparation for ISQM1 & 2. CIIPA hosted a webinar on the new Quality Management Standards in 2021 and will continue to provide implementation support based on feedback from public practice firms.

#	Start Date	Actions	Completion Date	Responsibility	Resource
<i>Supporting CIIPA Members in Implementing Auditing Standards</i>					
18.	On-going	Training on or promotion of ISAs.	On-going	TC	CIIPA

#	Start Date	Actions	Completion Date	Responsibility	Resource
18.	March 2015	Enhance resources on website and in Practitioner Supplements (PS) with respect to auditing standards and developments. Links to IFAC and IAASB are provided on the website while PSs are only used where a specific or unique interpretation or guidance is needed for Cayman practitioners.	On-going	COO	CIIPA
19.	On-going	Periodic review of international developments regarding auditing standards to be reported to Council at least annually.	On-going	COO	CIIPA
<i>Review of CIIPA's Compliance Information</i>					
20.	Every 6 months	Perform periodic review of CIIPA's Action Plan and update sections relevant to SMO 3 as necessary. Inform IFAC Compliance Staff of updates as part of Compliance Program updates.	On-going-	MC	CIIPA

Action Plan Subject: SMO 4–IESBA Code of Ethics for Professional Accountants
Action Plan Objective: Establish or offer confidential ethics counselling service to members

Background:					
<p>The Accountants (Quality Assurance) Regulations prescribe the latest IESBA Code for all practitioner members and other members engaged in assurance with public practice firms. All members are required to confirm compliance both on application and renewal with the latest Code and so this is a member obligation. CIIPA has prescribed the Code for firms in the Accountants (QA) Regulations and this covers practitioner members, members and non-members who are designated professionals. For other members. The Code is referred to as a direct requirement of membership.</p> <p>Breach of the Code constitutes misconduct which is a ground for investigation and disciplinary proceedings.</p> <p>In June 2013 the Membership and Licensing Committee was assigned responsibility for Ethics requirements and monitoring; however, this responsibility was transitioned in 2019 with the establishment of the Ethics Committee.</p> <p>CIIPA offers ethics training at least once per year. In 2020, CIIPA partnered with the CFA Society of the Cayman Islands to host two ethics challenges for teams and individual members. Additionally, links to IESBA support materials such as videos, fact sheets, and publications are included in member newsletters as well as on the CIIPA website. During our 2021 AML and Fraud training, IESBA Deputy Director, Diane Jules, presented a section on the Code with a focus on NOCLAR.</p> <p>With the amendment to the IESBA Code in relation to the definition of public interest entity, CIIPA plans to issue for the first time its own Code of Ethics. This will be predominantly based on the Code with minimal adaptations where necessary for the unique features of the Cayman Islands.</p>					
#	Start Date	Actions	Completion Date	Responsibility	Resource
<i>Supporting Members with the Application of the Code of Ethics</i>					
21.	October 2020	Developed a RFP to provide confidential Counselling and Advice service for members regarding Ethics issues third-party. Due to resourcing issues, the organizations CIIPA reached out to were unable to submit proposals. The EC will work to get proposals in early 2022	March 2022	EC	, CIIPA
22.	January 2015	Include at least one ethics training course in annual training programme.	Completed and On-going	TC	CIIPA
<i>Maintaining On-going Processes</i>					

#	Start Date	Actions	Completion Date	Responsibility	Resource
23.	On-going	Periodic review of system to maintain a high standard of ethical conduct. Monitor the IESBA work program and proposed revisions to the IESBA Code of Ethics to determine appropriateness and timely incorporation. CIIPA responds to exposure drafts issued by the IESBA. Report to Council (3-6 months).	On-going-	EC	CIIPA
<i>Review of CIIPA's Compliance Information</i>					
24.	Every 6 months	Perform periodic review of CIIPA's Action Plan and update sections relevant to SMO 4 as necessary. Inform IFAC Compliance Staff of updates as part of Compliance program updates.	On-going- Semi-annually	MC	CIIPA

Action Plan Subject: SMO 5—International Public Sector Accounting Standards and Other Pronouncements Issued by the IPSASB
Action Plan Objective: Monitor the provision of training for accountants in the public sector

Background:

The Portfolio of Finance and Economic Development within the Cayman Islands Government is responsible for setting accounting policies that are consistent with generally accepted accounting practice according to the Public Management and Finance Act (2020 Revision) Act, which defines GAAP throughout as IPSASs. CIIPA does not have any direct responsibility for public sector financial reporting requirements, although it seeks to provide advice and support to Government. CIIPA has established a Public Sector Committee which consists of private and public sector participants. Through this and IFRS/IPSAS update training, the institute works to advise and support.

At present, all the government ministries in Cayman use accrual-basis IPSASs as do 46% of the statutory authorities (the other 54% of the statutory authorities use IFRSs as do the government companies).

Twelve (12) of twenty-six (26) Statutory Authorities/Government Companies (SAGCs) now report under IPSAS .

CIIPA TC hosts annual IPSAS training for public sector finance professionals.

#	Start Date	Actions	Completion Date	Responsibility	Resource
<i>Supporting CIIPA Members in Implementing Public Sector Accounting Standards</i>					
25.	2010	Continue to support courses for public sector on Governance and IPSASs.	Annually	TC	CIIPA
<i>Raising Awareness About IPSASs</i>					
26.	January 2015	Circulate relevant communications for public sector accounting issues to Public Sector Committee for dissemination to public sector finance staff and auditors.	On-going	COO	CIIPA
<i>Review of CIIPA's Compliance Information</i>					
27.	Every 6 months	Perform periodic review of CIIPA's Action Plan and update sections relevant to SMO 5 as necessary. Inform IFAC Compliance Staff of updates as part of Compliance Program updates.	On-going-Semi-annually	MC/PSC	CIIPA

Action Plan Subject: SMO 6—Investigation and Discipline
Action Plan Objective: Further improve and maintain CIIPA's I&D processes

Background:

The Accountants (2020 Revision) Act and the Accountants (Disciplinary) Regulations (“ADR”) provide for a full investigation and discipline mechanism. The provisions of Part IV of the Accountants Act relating to discipline provide CIIPA with the legal basis for its own independent formal investigatory and disciplinary process.

CIIPA has an Investigation Committee that has been set up to resolve issues and investigate complaints. The Investigation Committee investigates each complaint put forward to CIIPA, and may dismiss the matter, or refer it to the Disciplinary Tribunal and/or to the relevant member’s OPAI.

Sanctions that can be imposed are: removal of the member from the register, and to suspend practitioner members for up to a year, revoke a practitioner’s license or invoke other disciplinary action as follows: Reprimands; Fines; Requirement to undertake training or obtain advice at own expense and implement the advice, and to waiver, refund of client fees. The policy outlining the procedural steps pursuant to the Act and ADRs, was first adopted in July 2012, and most recently updated in 2019.

In 2012, guidance was drafted regarding Section 27 of the law as it then was which provides a right of appeal to the Grand Court of the Cayman Islands and this is made available to persons directly where one of the above circumstances arises. In addition, the guidance is posted to the website as a Helpsheet; one on making a complaint and one on appealing a decision under Section 27.

CIIPA continues to promote awareness of its Complaints process through the Helpsheet on complaints, and the website.

#	Start Date	Actions	Completion Date	Responsibility	Resource
<i>Maintaining On-going Processes</i>					
28.	January 2012	Periodic review of CIIPA's power of investigation and discipline. Report to Council (3-6 months).	On-going Annually	IC	CIIPA
29.	July 2013	Review of awareness and effectiveness of complaints process. Report into Council six times per year. Consider new methods to communicate to stakeholders and review statistics regarding complaints and cases. CIIPA had 1 investigation in 2014, 1 in 2015 and 1 in 2021. In 2020, seven complaints were received, and determined to be frivolous and not within the scope of the complaints regime.	On-going	IC and MC	CIIPA

#	Start Date	Actions	Completion Date	Responsibility	Resource
30.	October 2014	<p>Re-review legal position and whether “gross professional negligence” is a legally recognised term in jurisdiction. If so, initiate amendments to AAL to explicitly specify as misconduct and a ground to refer to investigation.</p> <p>The amendments to the 2016 Act did not include this. There is a need to now form a consultative committee to consider this issue.</p>	2023	IC	CIIPA
<i>Review of CIIPA's Compliance Information</i>					
31.	Periodic Reviews	<p>Perform periodic review of CIIPA's Action Plan and update sections relevant to SMO 6 as necessary. Inform IFAC Compliance Staff of updates as part of Compliance Program updates.</p>	On-going-	COO and MC	CIIPA

Self-Assessment against the 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.	Y			
2. Information about the types of misconduct which may bring about investigative actions is publicly available.	Y			Issued Helpsheets Making a Complaint against a Member 2018
Initiation of Proceedings				
3. Both a "complaints-based" and an "information-based" approach are adopted.	Y			
4. Link with the results of QA reviews has been established.	Y			
Investigative process				
5. A committee or similar body exists for performing investigations.	Y			
6. Members of a committee are independent of the subject of the investigation and other related parties.	Y			
Disciplinary process				
7. A separate disciplinary committee/entity exists to make disciplinary decisions on referrals from the investigation committee.	Y			
8. Members of the committee/entity include professional accountants as well as non-accountants.	Y			

Requirements	Y	N	Partially	Comments
9. The tribunal exhibits independence of the subject of the investigation and other related parties.	Y			
Sanctions 10. The disciplinary system allows imposing an extensive range of penalties. It is particularly important to include (a) loss of professional designation; (b) restriction and removal of practicing rights; and (c) exclusion from membership.	Y			
Rights of representation and appeal 11. A third appeals body exists which is separate from both the disciplinary committee and investigative committee.	Y			
Administrative Processes 12. Timeframe targets for disposal of all cases are set.	Y			
13. Tracking mechanisms to monitor progress in investigation and discipline and related procedures are established.	Y			
14. Records of investigations and disciplinary processes are established.	Y			
Public Interest Considerations 15. Activities are supported to ensure that the public is aware that an investigative and disciplinary system exists in the jurisdiction.	Y			

Requirements	Y	N	Partially	Comments
16. A process for the independent review of complaints on which there was no follow-up is established.	Y			To be part of the Internal Quality Review Instead considered when Investigation meets the last time being May 2020.
17. The results of the investigative and disciplinary proceedings are made available to the public.			P	Only of Disciplinary orders although Chair of Tribunal can make details of proceedings public if in the public interest to do so.
Liaison with Outside Bodies 18. There is an appropriate process for liaison with outside bodies on possible involvement in serious crimes and offences.	Y			
Regular review of implementation and effectiveness 19. Regular review of implementation and effectiveness of the system are performed and corrective actions are implemented.	Y			

Action Plan Subject: SMO 7–International Financial Reporting Standards and Other Pronouncements issued by the IASB
Action Plan Objective: Continue to provide training and raise awareness on IASB pronouncements

Background:

Whilst the international accounting standards applied in specific instances are often a decision of an entity’s parent or sponsor or driven by the regulatory requirements of other jurisdictions, for an entity established according to one of the regulatory laws, the standards used must be approved by the Cayman Islands Monetary Authority (CIMA). Financial Statements prepared for CIMA regulated entities, which it is estimated constitute over 90% of those prepared and audited by CIIPA members, must conform with the requirements of the regulatory laws (e.g. Banks and Trust Companies Act, Insurance Act, Mutual Funds Act and Companies Management Act) all of which require the use of internationally recognised accounting principles or other standards approved by CIMA (mostly U.S. Generally Accepted Accounting Principles (GAAP) or International Financial Reporting Standards (IFRSs).

CIIPA does not have the authority to prescribe accounting standards and existing national legislation does not mandate the use of any particular set of financial reporting standards. There is no domestic corporation or personal income tax system in the Cayman Islands (government revenues derive from high importation duties and hotel accommodation tax) and the majority of entities are international companies.

The standards to be applied in any particular instance, is dependent on the client due to the international nature of business in the Cayman Islands. As noted above, in practice however, the majority of financial statements are prepared using US GAAP or IFRSs.

Whilst CIIPA does not have responsibility for setting accounting standards as CIIPA does have direct responsibility for complying with the requirements of SMO 7, within the scope of the SMO Applicability Framework it is committed to encourage and assist with implementation, as described in the actions below. CIIPA has provided IFRS training updates for a number of years and raises awareness of IASB pronouncements using website. CIIPA has responded to IFAC consultations.

#	Start Date	Actions	Completion Date	Responsibility	Resource
<i>Promoting Adoption of IFRSs</i>					
32.	January 2013	Devise and present a Discussion Paper to Council regarding the need to further promote convergence by scheduling meetings and communications regarding use of IFRSs and to address any gaps in legislation (namely re SMEs).	March 2017 and ongoing	MMC	CIIPA
<i>Supporting CIIPA Members in Implementing Accounting Standards</i>					
33.	October 2014	Include a section in member newsletter, website and other relevant communications on IFRS.	On-going	COO	CIIPA

#	Start Date	Actions	Completion Date	Responsibility	Resource
34.	December 2016	CIIPA hosts workshops and other events that include topics on IFRS and US GAAP updates and developments.	On-going		
<i>Maintaining On-going Processes</i>					
35.	January 2011	Periodic review of the effectiveness of training and communications regarding IASB pronouncements.	On-going	TC MC	CIIPA
<i>Review of CIIPA's Compliance Information</i>					
36.	Annually	Perform periodic review of CIIPA's Action Plan and update sections relevant to SMO 7 as necessary. Inform IFAC Compliance Staff of updates as part of Compliance Program updates.	On-going	CIIPA and MC	CIIPA