

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:	The Zambia Institute of Chartered Accountants (ZiCA)
Approved by Governing Body:	ZiCA Council
Original Publish Date:	September 2008
Last Updated:	August 2021
Next Update:	August 2024

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

ACCA	Association of Chartered Certified Accountants
CPD	Continuous Professional Development
CIMA	Chartered Institute of Management Accountants
PAFA	Pan African Federation of Accountants
IASB	International Accounting Standards Board
IAASB	International Auditing and Assurance Standards Board
IES	International Education Standards
IFAC	International Federation of Accountants
IFRS	International Financial Reporting Standards
IPSAS	International Public Sector Accounting Standards
ISAs	International Standards on Auditing
ISQC	International Standard on Quality Control
ICT	Information and Communication Technology
SCE	Secretary and Chief Executive
SMO	Statements of Membership Obligations
ZiCA	Zambia Institute of Chartered Accountants

General Information:

The Institute has established the Standards and Regulatory Board which considers and approves the decisions made by the Practice Review Committee. Further, where the firm is found wanting due to non-compliance by attaining three (3) consecutive unsatisfactory outcomes, the Standards and Regulatory Board submit such a matter to the Disciplinary Committee for further determination or sanctions that may include de-registration, penalty and suspension of practicing license. The Standards and Regulation Board is also responsible for developing and overseeing the implementation of prescribed standards and regulations of professional competence, ethics and conduct. The Board also ensures compliance with relevant standards and regulations governing the profession by providing strategic direction on the adoption standards and other accounting pronouncements.

Action Plan Subject: SMO 1–Quality Assurance
Action Plan Objective: Ensure a mandatory quality review programme is in place for those members performing audits of Financial Statements of, as a minimum, listed companies

Background:					
<p>ZiCA is mandated by law, the Accountants Act No. 13 of 2008 (as amended) under section 31 to conduct quality review of members performing audits of financial statements. In 2009, we set up the Practice Review Department and contracted the Association of Chartered Certified Accountants (ACCA) for a period of six (6) years to help build internal capacity in practice monitoring. In December 2014, the contract with ACCA expired and since then our staff have been conducting the audit monitoring reviews of all practitioners in Zambia.</p> <p>As part of knowledge sharing process and capacity building, the Institute entered into a partnership with the Institute of Chartered Accountants in England and Wales (ICAEW) with financial support from the Department for International Development (DFID) in 2016, where reviewers from ZiCA and ICAEW took part in the audit monitoring reviews of each other. ZiCA has continued to conduct reviews of all firms in Zambia from the time of the expiry of the contract with ACCA and ICAEW.</p> <p>The ZiCA Quality Assurance and training programs for the Practice Review Department are consistent with the requirements of SMO 1 and we are committed to ensuring the quality review programme continues to be SMO 1 compliant.</p>					
#	Start Date	Actions	Completion Date	Responsibility	Resource
<i>Ongoing Implementation of a Program of Quality Assurance Review</i>					
1.	Ongoing	ZiCA will continue to conduct audit monitoring reviews for both audit firms with Public Interest Entities and SMPs using internal resources.	Ongoing	Director Standards and Regulation	ZiCA Audit Monitoring staff
2.	July 2015	ZiCA partnered with ICAEW to strengthen the audit monitoring in Zambia. This initiative saw the Institute benefit through the training program in Audit Quality and Methodology that was conducted in December 2015. Further in December 2016, ICAEW accompanied the ZiCA Reviewers on a mentorship program on the review of the “Big Firms”.	June 2017		
3.		ZiCA conducts annual Practitioners forum for the practicing members. The topics for discussion range from updates in professional standards to weaknesses highlighted during audit monitoring with non-compliance of auditing standards.	Ongoing	Director Standards and Regulation	Technical/Audit Monitoring staff

#	Start Date	Actions	Completion Date	Responsibility	Resource
4.	Ongoing	<p>Continue training Practice Review Officers in International Financial Reporting Standards (IFRSs), International Standards on Auditing (ISAs), International Standard on Quality Control 1 (ISQC) 1 and Practice Review Methodology. The training program aims to achieve the following:</p> <ul style="list-style-type: none"> • Equip the Officers with Technical understanding of accounting and auditing standards. • Equip Officers with Practice Review methodology. 	Ongoing	Director Standards and Regulation	<p>Workshops organized by the Institute.</p> <p>Leverage on the partnerships with other PAOs in the region</p>
Maintaining Ongoing Processes					
5.	Ongoing	<p>Continue to ensure that ZiCA's Audit Quality Review is operating effectively and continues to be in line with SMO 1 requirements. This includes quarterly periodic review of the operation of the quality review system and updating the Action Plan for future activities where necessary.</p>	Ongoing	SCE Director Standards and Regulation	ZiCA Staff Practice Review Committee Standards and Regulatory Board
Review of ZiCA's Compliance Information					
6.	Annually	<p>There is need to review the SMO 1 information annually as there may have been changes to the legislative and or administrative landscape.</p> <p>Carry out periodic review of ZiCA's responses to sections relevant to SMO 1 as necessary. Once updated, inform IFAC compliance staff about the updates in order for them to republish updated information.</p>	Annually	SCE	ZiCA Staff

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 ISQM formerly ISQC 1 and other relevant ISAs are adopted as the quality control standards.	Y			
4. Member Body assists firms in understanding the objectives of quality control and in implementing and maintaining appropriate systems of quality control.	Y			Through CPD programmes and various technical update session.
Review Cycle				
5. A cycle-based, risk-based, or a mixed approach for selecting firms for QA review is used.	Y			
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			
QA Review Team				
7. Independence of the QA Team is assessed and documented.	Y			

Requirements	Y	N	Partially	Comments
8. QA Team possesses appropriate levels of expertise.	Y			They also regularly undergo refresher training.
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			Those that do not make the necessary adjustments are referred to the Disciplinary Committee.
12. QA review system is linked to the Investigation and Discipline system.	Y			As in 11 above.
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			The practice review committee reports to the Standards and Regulatory Board which for our purposes is the oversight body.
Regular Review of Implementation and Effectiveness				
14. Regular reviews of implementation and effectiveness of the system are performed.	Y			These are reviewed annually by the Standards and Regulatory Board as well as every 3 years by external parties. The last review was carried out by ICAEW in 2016. Though the last review on the Institute was conducted in 2016, the Institute has been approached by other PAOs in the region to assist them in implementing the Audit Assurance Reviews with two examples of such request namely Institute of Chartered Accountants of Sierra Leon (ICASL) and the Eswatini Institute of Chartered Accountants who have requested ZICA to assist conduct audit-monitoring inspections for their jurisdictions. A case in point to indicate the Institute has continued to implement the standards effectively.

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

Action Plan Objective: To ensure that all IES requirements are incorporated into ZiCA's education requirements

Background:

ZiCA is responsible for adoption of the international education standards (IESs). The Education and Training Committee of ZiCA is given mandate by Council to revise and recommend the education and training content of ZiCA's education requirements.

The Chartered Accountant (CA) Zambia programme was introduced in 2017. The CA Zambia programme linked exit qualifications have now been registered and accredited by the Zambia Qualifications Authority (ZAQA) as at 1 March 2021. As provided for under the Zambia Qualifications Act No. 13 of 2011, ZAQA develops and implements a National Qualifications Framework for the classification, accreditation, publication and articulation of quality assured national qualifications. The Zambia Qualifications Framework (ZQF) provides a basis for improving the quality, accessibility, linkages and public or labour market recognition of qualifications within Zambia and internationally.

The equivalents of CA exit qualifications on the Zambia Qualifications Framework (ZQF) are as per table below:

Qualification	Level on ZQF	Qualification Type
CA Certificate in Accountancy	Level 4	Certificate
CA Application Advanced Diploma in Accountancy	Level 7	Bachelor's Degree
CA Advisory Professional in Accountancy	Level 9	Master's Degree

The Chartered Accountant Zambia (CA Zambia) charter designation are awarded to candidates upon the successful completion of the 3-year practical training program post completion of the CA Advisory Professional in Accountancy qualification.

Entry into the CA Zambia PQ requires one to have a minimum of five (5) credits in O' Levels including Mathematics and English. The examination component of the Professional Qualification covers 16 courses divided into three levels: CA Certificate in Accountancy (6 courses); CA Application Advanced Diploma in Accountancy (6 courses) and CA Advisory Professional in Accountancy (4 courses). The learning outcomes for the examination do comply with technical competence areas and proficiency levels prescribed in IES 2 to 4. As stated above, graduates are further required to undertake a practical training period of three years under the supervision of a qualified chartered accountant before they can qualify to be called chartered accountants.

The enactment of the Accountants Act of 2008 introduced new requirements for holders of foreign qualifications wishing to become ZiCA members. In addition to the practical experience of 3 years, members are now required to take an examination that assesses the knowledge of the local tax

and business legislation. ZiCA members are also required to complete 40 hours of Continuing Professional Development (CPD) per year. The enforcement of CPD requirements is done by the Membership Committee when members are renewing their membership.

As part of our continuous quality assurance to ensure our product offering remains fit for purpose and meet market requirements, we are in the process of introducing new qualifications.

#	Start Date	Actions	Completion Date	Responsibility	Resource
<i>Enhancing Practical Experience Assessment Skills in the Practical Training Providers</i>					
7.	Ongoing	Continuous monitoring of standards of Practical training Providers to ensure that there is uniformity in the assessment of graduates undergoing practical training in different firms. New mentors are guided through the practical training assessment requirements at point of signing practical training MoU.	Ongoing	Director Education Education Manager	Education Committee

#	Start Date	Actions	Completion Date	Responsibility	Resource
Training of Examination Setters					
8.	August 2021	Conduct training workshop for exam setters in the new revisions to IES 2, 3,4 and 8. The workshop's objective is to orient the Examinations setters to the revised structure of Examinations.	December 2022	Director Education Education Manager	Education Committee
Enforce CPD Requirements					
9.	Ongoing	Continue running CPD events aimed at bringing to the attention of the members latest developments in the profession. The following CPD events are scheduled regularly: <ul style="list-style-type: none"> • Monthly Accountants Forum • Pre-Annual General of Meeting (AGM) workshop • Annual Business Conference • Chief Finance Officers Workshops • IPSAS Training Workshops • Internal Auditors workshop • Online Short Courses available on partner platforms. 	Ongoing Ongoing Completed Annual Event Annual event Annual event	Director Membership and Corporate Services	ZiCA Staff
10.	Ongoing	Enforce sanctions to members failing to comply with CPD requirements.	Ongoing	Director Membership and Corporate Services	ZiCA Staff Membership Committee
Maintaining Ongoing Processes: Communication of Pronouncements by International Accounting Education Standard Board (IAESB)					
11.	Ongoing	Continue to incorporate new developments on International Education Standards in the ZiCA Quarterly Student magazine. Some of the highlights will include information on the student Chapters.	Ongoing	Director Education	ZiCA Staff Education Committee Editorial Board
12.	Ongoing	Ensure ZiCA's education requirements continue to incorporate all IES requirements. This includes review of the existing requirements and preparation of the Action Plan for the future activities where necessary.	Ongoing	SCE Director Education Director Standards and Regulation	ZiCA Staff Education Committee Membership Committee

#	Start Date	Actions	Completion Date	Responsibility	Resource
Review of ZiCA's Compliance Information					
13.	Annually	<p>There is a need to review the SMO 2 information annually as there may have been changes to the legislative and or administrative landscape.</p> <p>Carry out periodic review of ZiCA's responses SMO 2 as necessary. Once updated, inform IFAC compliance staff about the updates in order for them to republish updated information.</p>	Annually	<p>SCE Director Education Director Standards and Regulation</p>	<p>ZiCA Staff Education Committee Membership Committee</p>

Action Plan Subject: SMO 3–International Standards and Other Pronouncements Issued by the IAASB
Action Plan Objective: Continue to use best endeavors to maintain ongoing process of adopting and implementing IAASB Pronouncements

Background:

The Accountants Act of 2008 gives ZiCA the mandate to approve the auditing standards to be used in Zambia. Through recommendations from the Technical Committee of the governing Council, ZiCA adopted all the ISAs and pronouncements issued by the International Auditing and Assurance Standards Board (IAASB) without modifications effective 1st January 2005. The Act further empowers us to develop, promote and enforce internationally comparable practice standards in Zambia. In this regards we have remained committed to maintaining convergence on International Standards and pronouncements issued by the IAASB. ZiCA actively participates in the development of auditing standards through comment letters on exposure drafts and discussion papers issued by the IAASB. Our structured CPD calendar ensures that our members and practitioners are up skilled in audit and assurance through workshops and technical updates published in our journal and website.

Following the issuance of the new auditor reporting standards in January 2015, we embarked on an awareness campaign among our membership and general public. We published a series of step-by-step implementation articles in our accountant journal. The new auditing standards were also major topics at the 2016 AGM, the ISAs updates in July 2016 and IFRS updates in November 2016.

We also held stakeholder consultative engagements with the Central Bank and other industry regulators. This consultative process culminated into issuing the practice guidance which broadened the scope of reporting key audit matters to non-listed PIEs and Statutory Bodies.

Our Technical Committee monitors and guides on matters impacting on our membership in areas of audit and assurance as well as influencing regulatory decisions on the auditing fraternity. We also engage various industry regulators to harmonise their audit requirements with ISAs and assurance standards. ISAs are applicable auditing standards for all audits in Zambia. However, some regulators tend to prescribe auditor reporting requirements which are at variance with ISA. For instance the 2016 Securities Act requires Auditors to report on a business' internal controls. Also the central Bank Corporate Governance Directives requires rotation of engagement partners for every three years and limiting the engagement period to Ten (10) years.

The Securities Act 2016 was passed in December 2016 and among other requires auditor of licensees to be a member in good standing with the ZICA and such auditor shall not provide auditing services to the company unless the auditor meets the minimum criteria specified by the Commission.

ZICA retains the regulatory authority over auditors and the Act requires seven (7) years of post-qualifying experience in public practice to be issued a practicing certificate. Further, the practicing certificate is issued upon passing Competence Practice Exams.

#	Start Date	Actions	Completion Date	Responsibility	Resource
Ongoing Adoption of IAASB Pronouncements					
14.	Ongoing	Participate in the adoption of new standards by commenting on discussion papers and exposure drafts. Continue monitoring new and revised standards for subsequent adoption and dissemination to members.	Ongoing	Director Standards and Regulation	Technical Department Staff Technical Committee
15.	Ongoing	Hold Two ISAs workshops every year to update members on the latest developments and applications of audit and assurance standards.	Ongoing	Director Standards and Regulation	Practice Review Staff
16.	Ongoing	Continue posting all new auditing standards on the ZiCA website to enhance the current communication system with members. Continue to also put new developments on International Auditing Standards in the ZiCA Quarterly Accountant magazine.	Ongoing	Director Standards and Regulation	Technical Committee The ICT Manager
17.	Ongoing	Monitor compliance with Auditing standards as part of the Audit Quality Review System which as indicated under SMO 1 is being carried out by the Practice Review Department.	Ongoing	Director Standards and Regulation	Practice Review Officers Practice Review Committee Standards and Regulation Board
18.	Ongoing	Continue to support ongoing adoption and implementation of IAASB pronouncements. This includes review of the implementation of the Action Plan to date and updating the Action Plan for future activities as necessary.	Ongoing	SCE Director Standards and Regulation	Technical Department Staff Standards and Regulatory Board
Review of ZiCA's Compliance Information					
19.	Annually	There is a need to review the SMO 3 information annually as there may have been changes to the legislative and or administrative landscape. Carry out periodic review of ZiCA's responses to SMO 3 as necessary. Once updated, inform IFAC compliance staff about the updates in order for them to republish updated information.	Annually	SCE Director Standards and Regulation	Technical Department Staff Technical Committee

Action Plan Subject: SMO 4–IESBA Code of Ethics for Professional Accountants
Action Plan Objective: Continue to use best endeavors to maintain ongoing process of adopting and implementing the IESBA Code of Ethics

Background:					
ZiCA is responsible for the development of a Code of Ethics for its members. ZiCA had adopted the entire International Ethics Standard Board for Accountants (IESBA) Code of Ethics (and revisions) without modifications effective 1 st January 2009. More recently, ZiCA adopted, without modification, the clarified IESBA Code of Ethics effective January 1, 2011. ZiCA has adopted the IESBA Code of Ethics in effect as of the time of this report and established standard-setting procedures to incorporate updates and revisions into the Code on an ongoing basis.					
#	Start Date	Actions	Completion Date	Responsibility	Resource
Ongoing Adoption of IESBA Pronouncements					
20.	Ongoing	ZiCA adopted the IESBA Code of Ethics in its entirety and thus monitors any updates to the Code which are subsequently communicated to members. We have established processes to incorporate revisions to the Code on an ongoing basis through the standard- setting and adoption process. We have reviewed the new NOCLAR and issued a pronouncement to the members on the adoption and implementation of the standard. We will continue to monitor its implementation with a view for possible issuance of practice guidance. ZiCA Participates in the modifications to the Code of Ethics by commenting on discussion papers and exposure drafts.	Ongoing	Director Standards and Regulation	Technical Committee Standards and Regulatory Board
Effectively Implementing the IESBA Code of Ethics					
20.	Ongoing	Continuously update the syllabi for CA Certificate in Accountancy every 3 years and the CA Application Advanced Diploma in Accountancy and CA Advisory Professional in Accountancy every 6 years to ensure new ethics are incorporated in the syllabus. The qualification review periods are in accordance with the Zambia Qualifications Authority (ZAQA).	Ongoing	Director Education	Education Committee
21.	Ongoing	Continue incorporating Ethics presentations in CPD programs for ZiCA members to raise awareness about the Code of Ethics including the new IESBA Code of Ethics for	Ongoing	Director Standard s Regulation and Director	Technical Department staff CPD Speakers

		Professional Accountants. The following CPD activities will be used to raise awareness about the clarified IESBA Code: <ul style="list-style-type: none"> • Pre-AGM Workshop • ISAs, IFRS update workshops • Chief Finance Officers Workshops • IPSAS Training Workshops • Internal Auditors Conference 	Ongoing	Membership & Corporate Services	
#	Start Date	Actions	Completion Date	Responsibility	Resource
22.	Ongoing	Provide a CD containing the IESBA Code of Ethics to all new members of the Institute.	Ongoing	Director Standards and Regulation	Membership Department staff Membership Committee
Maintaining Ongoing Processes					
23.	Ongoing	Continue to support ongoing adoption and implementation of the IESBA Code of Ethics. This includes review of the implementation of the Action Plan to date and updating the Action Plan for future activities as necessary.	Ongoing	SCE Director Standards and Regulation Director Education	Membership Committee Technical Committee Standards and Regulatory Board
Review of ZiCA's Compliance Information					
24.	Annually	There is a need to review the SMO 4 information annually as there may have been changes to the legislative and or administrative landscape. Carry out periodic review of ZiCA's responses to SMO 4 as necessary. Once updated, inform IFAC compliance staff about the updates in order for them to republish updated information.	Annually	SCE Director Standards and Regulation Director Education	Membership Committee Technical Committee

Action Plan Subject: SMO 5–International Public Sector Accounting Standards and Other Pronouncements Issued by the IPSASB
Action Plan Objective: Continue to use best endeavors to assist in the adoption and implementation of IPSASs in Zambia

Background:					
<p>ZICA is responsible for approving the accounting standards to be used in Zambia. The Accountants Act 2008 mandates ZICA to develop, promote and enforce internationally comparable practice standards in Zambia which includes public sector accounting standards. The Public Finance Act of 2004 only prescribes uniform treasury norms and standards for purposes of the Treasury’s functions. The Public Finance and Management Act of 2018 provides for an institutional and regulatory framework for management of Public Funds, strengthening of accountability, oversight, management and control of public funds in the public financial management framework. It sets out the procedures for efficient and effective management of all revenue, expenditure, assets and liabilities. The Public Financial Management Act complements the Accountants Act of 2008.</p> <p>The Public Sector Committee recommended the adoption of International Public Sector Accounting Standards (IPSAS) as issued by the International Public Sector Accounting Standards Board. Currently cash based IPSASs are used in Zambia and the process to adopt accrual IPSAS by 2024 is under way. We have been collaborating with the office of the Accountant General and Secretary to the Cabinet on the implementation of full IPSAS.</p> <p>Held a two day training on IPSAS in March 2016 for members in the Public Sector. Going forward, IPSAS workshops are held annually.</p>					
#	Start Date	Actions	Completion Date	Responsibility	Resource
Continuing to Promote the Use Of IPSAS					
25.	Ongoing	Participate in the adoption of new standards by commenting on exposure drafts and discussion papers.	Ongoing	Director Membership and Corporate Services	Public Sector Committee Technical Department Staff
	Ongoing	Conduct training and workshops on IPSAS for members in the public sector on annual basis.	Ongoing		
	Ongoing	Continue to use its best endeavors to encourage the Government to migrate to accrual IPSAS. This will include participation in various committees and seeking dialogue with Government on implementation issues.	Ongoing		
	Annually	Conduct full IPSAS workshop for Public sector workers.	Annually		

#	Start Date	Actions	Completion Date	Responsibility	Resource
26.	Ongoing	<p>Continue pursuing for the adoption of IPSAS by all departments in Government of the republic of Zambia. The Institute will be monitoring and work together with Accountant General's office to ensure that the road map for implementing IPSAS accrual basis of accounting in 2024 would be implemented.</p> <p>The Government has defined the accrual IPSAS roadmap with the completion date of 2024. The execution is on course but with some milestones being missed. Funds to implement the project have been sourced from the world bank. ZiCA plays an advisory role in the implementation process. We also conduct IPSAS training for public sector accountants.</p>	Ongoing	Director Standards and Regulation/Director Membership and Corporate Services	Public Sector Committee
Maintaining Ongoing Processes					
27.	Ongoing	Continue to identify opportunities to further assist in implementation of IPSAS. This includes review of the existing activities and preparation of the Action Plan for future activities where necessary.	Ongoing	SCE Director Standards and Regulation/ Director Membership and Corporate Services	Public Sector Committee
Review of ZiCA's Compliance Information					
28.	Annually	<p>There is a need to review the SMO 5 information annually as there may have been changes to the legislative and or administrative landscape.</p> <p>Carry out periodic review of ZiCA's responses to SMO 5 as necessary. Once updated, inform IFAC compliance staff about the updates in order for them to republish updated information.</p>	Annually	SCE Director Standards and Regulation/ Director Membership and Corporate Services	Public Sector Committee

Action Plan Subject: SMO 6–Investigation and Discipline
Action Plan Objective: Continue to use best endeavors and further improve ZiCA’s investigation and disciplinary system

Background:					
The powers to discipline members of ZiCA are in the hands of the Disciplinary Committee established under the Accountants Act of 2008. To enhance the independence of the Disciplinary Committee, the Accountants Act requires that the Chairperson and Vice Chairpersons be senior legal practitioners with more than 15 years of experience.					
#	Start Date	Actions	Completion Date	Responsibility	Resource
Implementing an Investigation and Disciplinary System					
29.	Ongoing	Present Disciplinary Committee Reports to the members at the Annual General Meeting. For instance in 2020 the Institute received 26 complaints out of which seven (7) cases were referred to Disciplinary Committee	Ongoing	SCE Director Standards and Regulation	Disciplinary Committee
30.	Ongoing	Publish Disciplinary Committee Cases in the Accountant Magazine quarterly as well as the annual Standards and Regulatory Board Report	Ongoing	SCE Director Standards and Regulation	Disciplinary Committee
Maintaining Ongoing Processes					
31.	Ongoing	Continue to use best endeavors to ensure ZiCA’s investigation and disciplinary mechanism continues to address all SMO 6 requirements. This includes review of the existing mechanism and updating the Action Plan for future activities where necessary.	Ongoing	SCE Director Standards and Regulatory	Membership Department Staff Disciplinary Committee
Review of ZICA’s Compliance Information					
32.	Annually	There is a need to review the SMO 6 information annually as there may have been changes to the legislative and or administrative landscape. Carry out periodic review of ZiCA’s responses to sections relevant to SMO 6 as necessary. Once updated, inform IFAC compliance staff about the updates in order for them to republish updated information.	Annually	SCE Director Standards and Regulation	Membership Department staff Disciplinary Committee

Main Requirements of SMO 6

Requirements	Y	N	Partially	Comments
Scope of the System				An independent Disciplinary Committee is in place.
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			
Initiation of Proceedings				Complaints are acted upon based on both information from a complainant and information coming into the Institute.
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			Firms who consistently fail audit monitoring visits are referred to the Disciplinary Committee for sanction.
Investigative Process				Investigations are carried out by staff of the Institute in accordance with the requirements of the Disciplinary rules, the Code of Ethics for Accountants and the Accountants Act.
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			As in 5 above.
Disciplinary Process				As in 5 above.
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			The Chairperson and Vice Chairperson are lawyers at the level of High Court Judge while the other members are professional accountants who are voted into office at the Annual General Meeting (AGM).

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			The disciplinary system provides for a wide range of sanctions and penalties.
Rights of Representation and Appeal 11. A third appeals body exists which is separate from both the disciplinary committee and investigative committee.	Y			Decisions of the Disciplinary Committee may be appealed to the High Court of Zambia.
Administrative Processes 12. Timeframe targets for disposal of all cases are set.	Y			Cases are disposed of within two to three sittings of the Disciplinary Committee hearing the parties involved and receiving all evidence.
13. Tracking mechanisms to monitor progress in investigation and discipline and related procedures are established.	Y			This is done through the directorate of standards and regulation and is a monthly reportable matter.
14. Records of investigations and disciplinary processes are established.	Y			A file is maintained by the Secretary and Chief Executive.
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			
16. A process for the independent review of complaints on which there was no follow-up is established.	Y			

Requirements	Y	N	Partially	Comments
17. The results of the investigative and disciplinary proceedings are made available to the public.	Y			Outcomes of cases are printed in the media.
Liaison with Outside Bodies 18. There is an appropriate process for liaison with outside bodies on possible involvement in serious crimes and offences.	Y			Memorandum of Understanding are in place with other bodies e.g. with ACCA, National Prosecutions Authority to provide for information sharing for disciplinary purposes.
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 use best endeavors to maintain and continuously improve an ongoing program for adoption and implementation of IFRS

Background:					
ZiCA is responsible for approving the accounting standards used in Zambia. In 2005, we adopted International Financial Reporting Standards (IFRSs) issued by the International Accounting Standards Board (and revisions) without modifications effective on 1 st January 2005. In December 2010, we issued a Three financial reporting framework requiring public interest entities, listed companies and government owned companies are required to use IFRS, other companies have the option to use IFRSs or IFRSs for small and medium entities (SMEs) and micro and small enterprises use the Zambian Financial Reporting Standard for Micro Small entities.					
#	Start Date	Actions	Completion Date	Responsibility	Resource
Ongoing Adoption of IASB Pronouncements					
33.	Ongoing	Participate in the adoption of new Accounting Standards by commenting on discussion papers and exposure drafts.	Ongoing	Director Standards and Regulation	Technical Committee Standards and Regulatory Board Technical Manager
34.	Ongoing	Continue posting all new and revised International Accounting Standards on the ZiCA website to enhance the current communication system with members. Continue to also put new developments on International Accounting Standards in the ZiCA Quarterly Accountant magazine.	Ongoing	Director Standards and Regulation	Technical Manager ICT Manager
35.	Ongoing	<p>Conduct training workshops in IFRS for SMEs and the Zambian Financial Reporting Standard for Micro and Small Enterprises.</p> <p>ZiCA conducts workshops on IFRS updates for members each year.</p> <ul style="list-style-type: none"> • International Financial Reporting Standards (IFRS) updates. • IFRS for Small and Medium entities (SMEs) and Zambia Financial Reporting Standard for Micro and Small Entities (MSEs). • International Standards on Auditing (ISAs) Workshops. 	Ongoing	<p>Director Membership and Corporate Services</p> <p>Director Standards & Regulation</p>	Technical Committee

#	Start Date	Actions	Completion Date	Responsibility	Resource
Maintaining Ongoing Processes					
36.	Ongoing	Continue to use best endeavors by identifying opportunities to further assist in implementation of IFRS. This includes review of the existing activities and updating the Action Plan for the future activities where necessary.	Ongoing	SCE Director Standards and Regulation	Technical Committee Technical Department Staff
Review of ZiCA's Compliance Information					
37.	Annually	There is a need to review the SMO 7 information annually as there may have been changes to the legislative and or administrative landscape. Carry out periodic review of ZiCA's responses to SMO 7 as necessary. Once updated, inform IFAC compliance staff about the updates in order for them to republish updated information.	Annually	SCE Director Standards and Regulation	Technical Committee Technical Department Staff