

BACKGROUND NOTE ON ACTION PLANS

Action Plans are developed by IFAC members and associates to address policy matters identified through their responses to the IFAC Compliance Self-Assessment Questionnaire. They form part of a continuous process within the IFAC Member Body Compliance Program to support the ongoing development and improvement of the accountancy profession around the world. Action Plans are prepared by members and associates for their own use based on the national frameworks, priorities, and processes and challenges specific to each jurisdiction. As such, they will vary in their objectives, content and level of detail, consistent with their differing national environments and stages of development, and will be subject to periodic review and update.

Responses to the Part 1 Assessment of the Regulatory and Standard-Setting Framework Questionnaire and Part 2 SMO Self-Assessment Questionnaire provide background information on each member and associate their environment and existing processes. These responses may be viewed at: http://www.ifac.org/ComplianceAssessment/published_surveys.php

Use of Information

Please refer to the Disclaimer published on the Compliance Program website.

ACTION PLAN

IFAC Member/Associate: *Lesotho Institute of Accountants (LIA)*
Approved by Governing Body: *LIA Council*
Date Approved: *11 November 2008*
Date Published: *[Date of publication on the IFAC website]*

General

#	Start Date	Actions	Completion Date	Responsibility	Resource
1.	August 2007	Draft Policy Recommendations received from the IFAC Compliance Staff	September 2007	Chief Executive Officer (CEO)	Technical Manager
2.	November 2007	Policy Recommendations are confirmed with the IFAC Compliance staff	March 2008	CEO	Technical Manager
3.	April 2008	Action Plan submitted to IFAC Compliance Staff for agreement and publication	November 17, 2008	CEO	Technical Manager

GLOSSARY

ACCA	Association of Chartered Certified Accountants
CPD	Continuous Professional Development
CIPFA	Chartered Institute of Public Finance and Accountancy
ECSAFA	Eastern, Central and Southern African Federation of Accountants
IAASB	International Auditing and Assurance Standards Board
IAESB	International Accounting Educational Standards Board
IESs	International Educational Standards
IFRS	International Financial Reporting Standards
IRBA	Independent Regulatory Board for Auditors, South Africa
IPSAS	International Public Sector Accounting Standards
ISAs	International Standards on Auditing
ISQC	International Standards on Quality Control
LIA	Lesotho Institute of Accountants
SMO	Statement on Membership Obligation
CEO	Chief Executive Officer

Action Plan Subject: SMO 1 and Quality Assurance
Action Plan Objective: *Development and Implementation of a Quality Assurance System*

#	Start Date	Actions	Completion Date	Responsibility	Resource
<i>Further Development of a Quality Assurance Review System</i>					
1.	September 2007	Research with the Independent Regulatory Board for Auditors (IRBA) South Africa on how practice reviews are handled	October 2007 Completed	Technical Committee, CEO, and Technical Manager	Council, Technical Committee, Technical Manager
2.	January 2008	Sign an agreement with ACCA to carryout the reviews on behalf of LIA. LIA will focus QA activity on Engagement reviews for now, firm reviews to be considered at a later stage	9 October 2008 Completed	CEO	Council, CEO, Technical Staff and ACCA
3.	January 2009	Subject all the practitioners who deal with public interest entities to reviews.	Ongoing	CEO	Technical Committee, Technical Manager
4.	June 2008	Request information from the Auditor General on audits performed on his behalf by members of LIA on Government owned enterprises. This list involves all audits that have been performed in the past 18 to 24 months to be part of the QA reviews.	September 2008 Completed	CEO	Technical manager
5.	October 2008	Carry out practice reviews by ACCA working together with LIA staff.	January 2009 Completed	CEO and Technical Manager	Technical Staff, ACCA
6.	July 2008	Appoint two officers from LIA staff to be trained by ACCA as and when they carry out reviews on behalf of LIA. To obtain the financial support from Lesotho government for this purpose.	December 2008 Completed	CEO	CEO and Council

#	Start Date	Actions	Completion Date	Responsibility	Resource
7.	January 2009	Recover the cost of reviews from the practitioners.	Ongoing	CEO	Technical Manager
<i>Adoption of ISQC1 -International Standard on quality Control 1</i>					
8.	03/01/2008	LIA does not develop national standards as it adopts international standards as its national standards. LIA holds seminars where members are lectured to understand all the international standards. In the same manner, LIA has adopted the ISQC1 as the national standard. The decision was made for LIA to start with the Engagement Reviews before it does Firm Reviews.	09/30/2008 And ongoing.	Technical committee, CEO and Technical Manager	Council, Technical Committee and CEO.
9.	April 2008	LIA CEO and the Technical Manager to attend a workshop organized by IRBA South Africa on both Engagement and Firm Reviews.	05/07/2008 Completed	CEO	Technical Committee and IRBA
10.	February 2008	To conduct a few workshops where to bring ISQC1 to the attention of practicing members.	04/24/2008 Completed	CEO and Technical Committee	Technical Committee, Technical Manager and CEO
<i>Review of LIA's Compliance Information</i>					
11.	Ongoing	Perform periodic review of LIA's response for IFAC Compliance Self- Assessment questionnaires and update sections relevant to SMO1 as necessary. Once updated inform IFAC Compliance Staff to republish the updated information.	Ongoing	CEO and Technical Manager	Technical Committee, Technical Manager and CEO

Action Plan Subject: SMO 2 and International Education Standards for Professional Accountants and Other IAESB Guidance
Action Plan Objective: Implementing the requirements of the International Education Standards

#	Start date	Actions	Completion Date	Responsibility	Resource
<i>Final Assessment Requirement</i>					
12.	August 2006	Establish a joint Examination Scheme with ACCA for access to the accounting education for its members	Completed (effective from Dec 2001, reviewed in 2008)	Education Committee, CEO and the Technical Manager.	Council, Education Committee and CEO.
13.	Ongoing	Confirm to IFAC that the ACCA syllabus is assessed from time to time to assess its effectiveness and competency.	Ongoing	Education Committee, CEO and the Technical Manager.	Council, Education Committee and CEO.
14.	Ongoing	Confirm that Taxation and Business Law papers examined by ACCA are Lesotho Variant papers, based on Lesotho Tax and Business Law.	Ongoing	CEO and education Committee	CEO and ACCA
15.	Ongoing	Ensure that the syllabus for the above two courses is developed by examiners conversant with Lesotho Law, with the support of the ACCA.	Ongoing	CEO and ACCA	CEO and ACCA
<i>Monitoring of Practical Experience</i>					
16.	01/01/2008	Launch a campaign to enlist the support of employers for a formalized program of monitoring practical experience.	Ongoing	Education Committee, CEO and Technical Manager	Council, Education Committee and CEO.
17.	01/01/2008	Seek the support of ACCA in lending its support to LIA through promotion of its Employer Scheme to Lesotho Employers.	Ongoing	CEO	Technical Manager, Education Committee

#	Start date	Actions	Completion Date	Responsibility	Resource
18.	01/01/2008	As part of a pilot program, to reach an agreement with selected employers to have a monitored attachment for LIA students studying towards the qualifying exams of Accountancy qualification. This is preliminary arrangement before having a formalized attachment programme with employers.	Ongoing	CEO	Technical Manager, Education Committee
<i>Sanctions for Failure of members to satisfy CPD requirements:</i>					
19.	03/01/2008	Review IES 7 , <i>Continuing Professional Development: A Program of Lifelong Learning and Continuing Developing of Professional Competence</i> spell out name of IES 7, referring to the requirement that member bodies have to provide for sanctions on members who fail to meet the requirement of CPD.	Completed	CEO and Education Committee.	Council, Disciplinary Committee, Compliance Committee, CEO and Technical Manager
20.	12/01/ 2008	To respond to this requirement, LIA to work directly on the revision of its Disciplinary Code that will include in it the measures in line with IES 7 recommendations that LIA will take as method of sanction to members who do not comply.	June 2009	CEO and Education Committee.	Council, Disciplinary Committee, Compliance Committee, CEO and Technical Manager
<i>Review of LIA's Compliance Information</i>					
21.	Ongoing	Perform periodic review of LIA's response for IFAC Compliance Self- Assessment questionnaires and update sections relevant to SMO 2 as necessary. Once updated inform IFAC Compliance Staff to republish the updated information.	Ongoing	CEO and Education Committee	Technical Manager, Education Committee

Action Plan Subject: SMO 3 and International Standards, Related Practice Statements and Other Papers Issued by the IAASB
Action Plan Objective: Continue use of Best Endeavors

#	Start date	Actions	Completion Date	Responsibility	Resource
<i>SMO 3 and IAASB Pronouncements:</i>					
22.	01/01/2000	LIA adopts and uses all accounting and auditing international standards without any modification to them. There are no modifications that are done to the text and effective dates. All the standards are used as they are and their effective dates are observed as they are.	Ongoing	Compliance Committee, CEO and Technical Manager.	Council, Compliance Committee and CEO.
23.	Ongoing	Identify changes that are in place through publications from IFAC and other standards setting bodies.	Ongoing	Technical Manager, Technical Committee and CEO	Technical Manager, Marketing and Public Relations Officer and CEO
24.	Ongoing	Review the changes and updates in both accounting and auditing standards together with their implications in the practice of both.	Ongoing	Technical Manager, Technical Committee and CEO	Technical Manager, Marketing and Public Relations Officer and CEO
25.	Ongoing	Identify appropriate resource persons to facilitate training.	Ongoing	Technical Manager, Technical Committee and CEO	Technical Manager, Marketing and Public Relations Officer and CEO
26.	Ongoing	Conduct training seminars and workshops on the updates and changes.	Ongoing	Technical Manager, Technical Committee and CEO	Technical Manager, Marketing and Public Relations Officer and CEO

<i>Review of LIA's Compliance Information</i>					
#	Start date	Actions	Completion Date	Responsibility	Resource
27.	Ongoing	Perform periodic review of LIA's response for IFAC Compliance Self- Assessment questionnaires and update sections relevant to SMO 3 as necessary. Once updated inform IFAC Compliance Staff to republish the updated information.	Ongoing	Compliance Committee, CEO and Technical Manager.	Council, Compliance Committee and CEO.

Action Plan Subject: SMO 4 and IFAC Code of Ethics:
Action Plan Objective Adoption and use of IFAC Code of Ethics

#	Start date	Actions	Completion Date	Responsibility	Resource
<i>Adopting the Revised IFAC Code of Ethics</i>					
28.	Jan 2007	Review the IFAC Code in its totality and identify areas that can be explained further to meet the LIA and LIA members' local requirements.	Last Quarter of 2007 Completed	Technical Manager, Technical Committee and CEO	Technical Manager, Marketing and Public Relations Officer and CEO
29.	First Quarter of 2008	Identify those areas in the code which are too general and require specificity for the LIA	Second Quarter of 2008 Completed	Technical Manager, Technical Committee and CEO	Technical Manager, Marketing and Public Relations Officer and CEO
30.	First Quarter of 2008	Agree on the appropriate actions based on the prevailing circumstances in the environment in which LIA is operating.	Third Quarter of 2008 Completed	Technical Manager, Technical Committee and CEO	Technical Manager, Marketing and Public Relations Officer and CEO
31.	Feb 2009	Include the agreed additions in Part D of the Code	May 2009	Technical Manager, Technical Committee and CEO	Technical Manager, Marketing and Public Relations Officer and CEO
32.	01/01/2008	Adopt the IFAC Code as it is and incorporate part D to the IFAC Code, which is the part directly emphasizing the specific requirements to LIA which are not specific in the IFAC Code.	First Quarter 2009	Technical Committee, CEO and Technical Manager.	Council, Technical Committee and CEO.
33.	June 2009	Circulate the amended code to members after approval by Council	July 2009	Technical Manager, Technical Committee and CEO	Technical Manager, Marketing and Public Relations Officer and CEO

#	Start date	Actions	Completion Date	Responsibility	Resource
<i>Review of LIA's Compliance Information</i>					
34.	Ongoing	Perform periodic review of LIA's response for IFAC Compliance Self- Assessment questionnaires and update sections relevant to SMO 4 as necessary. Once updated inform IFAC Compliance Staff to republish the updated information.	Ongoing	Technical Manager, Technical Committee and CEO	Technical Manager, Marketing and Public Relations Officer and CEO

Action Plan Subject: SMO 5 and IPSASs:
Action Plan Objective Continue use of Best Endeavors

#	Start date	Actions	Completion Date	Responsibility	Resource
<i>SMO 5 and IPSASs:</i>					
35.	06/01/2008	Continue raising awareness to the government of the IPSASs and IPSASB's activities.	Ongoing	Public Sector Committee, CEO.	Council , Public Sector Committee , CEO and Technical Manager
36.	06/01/2008	The government in partnership with LIA is to work on the implementation of CIPFA programme which has already started from June 2007 as way of ensuring training of public sector accountants in the country.	Ongoing	CEO, Public Sector Committee, Education Committee	
<i>Review of LIA's Compliance Information</i>					
37.	Ongoing	Perform periodic review of LIA's response for IFAC Compliance Self- Assessment questionnaires and update sections relevant to SMO 5 as necessary. Once updated inform IFAC Compliance Staff to republish the updated information.	Ongoing	Public Sector Committee, CEO.	Council , Public Sector Committee , CEO and Technical Manager

Action Plan Subject: SMO 6 and Investigation and Discipline:
Action Plan Objective Further Development of Investigation and Discipline

<i>Maintaining ongoing processes</i>					
#	Start date	Actions	Completion Date	Responsibility	Resource
38.	01/01/2008	Review SMO 6 to identify gaps between it and the current LIA disciplinary process. Compare the existing LIA disciplinary procedure and the provisions of SMO 6.	April 2008 Completed	Disciplinary Committee, Compliance Committee, CEO and Technical Manager.	Council, Disciplinary Committee, Compliance Committee and CEO.
39.	01/01/2008	Develop a Risk Register which records all the complaints about its members and disciplinary measures on such members.	Ongoing	Technical Manager	Compliance Committee, disciplinary Committee
40.	01/01/2008	Review the procedures regarding composition of the Disciplinary Committee to include stakeholders in that committee in order to ensure openness of the hearings and investigations.	March 2008 Completed	CEO	Council, Disciplinary Committee, CEO
41.	April 2006	Revise the Accountants Act such that its provisions accommodate the revised composition of the Disciplinary Committee.	March 2008 Completed	CEO	CEO, Council, Lesotho Govt. through Ministry of Finance and Development Planning
42.	January 2008	Sign a Memorandum of Understanding with the Anti-corruption unit, Revenue Authority, and the Business Groups to make them aware of the operations of the Institute.	August 2008 Completed	CEO	President and Council, Ceo, Technical Manager
43.	January 2008	Consult with ECSAFA on best practice in relation to disciplinary process.	March 2008 Completed	CEO	Disciplinary committee, Technical Manager

#	Start date	Actions	Completion Date	Responsibility	Resource
<i>Review of LIA's Compliance Information</i>					
44.	Ongoing	Perform periodic review of LIA's response for IFAC Compliance Self- Assessment questionnaires and update sections relevant to SMO 6 as necessary. Once updated inform IFAC Compliance Staff to republish the updated information.	Ongoing	Disciplinary Committee, Compliance Committee, CEO and Technical Manager.	Council, Disciplinary Committee, Compliance Committee and CEO.

Action Plan Subject: SMO 7 and IFRSs
Action Plan Objective Maintaining ongoing compliance with IFRSs

#	Start date	Actions	Completion Date	Responsibility	Resource
<i>SMO 7 and IFRSs:</i>					
45.	01/01/2005	LIA confirms that there are no modifications done on the IFRSs standards it adopts. There are also no modifications done on the effective dates set by the IASB on the standards.	Ongoing	Technical Committee, CEO and Technical Manager.	Council, Technical Committee and CEO.
46.	Ongoing	To monitor changes the LIA has to: ❖ Identify changes that are proposed in place through IASB standards publications	Ongoing	Technical Manager, Technical Committee and CEO	Technical Manager, Marketing and Public Relations Officer and CEO
47.	Ongoing	❖ Review the changes and updates in both accounting standards together with their implications	Ongoing	Technical Manager, Technical Committee and CEO	Technical Manager, Marketing and Public Relations Officer and CEO
48.	Ongoing	❖ Identify appropriate resource persons to facilitate training.	Ongoing	Technical Manager, Technical Committee and CEO	Technical Manager, Marketing and Public Relations Officer and CEO
49.	Ongoing	❖ Conduct training seminars and workshops on the updates and changes	Ongoing	Technical Manager, Technical Committee and CEO	Technical Manager, Marketing and Public Relations Officer and CEO
<i>Review of LIA's Compliance Information</i>					
50.	Ongoing	Perform periodic review of LIA's response for IFAC Compliance Self- Assessment questionnaires and update sections relevant to SMO 7 as necessary. Once updated inform IFAC	Ongoing	Technical Committee, CEO and Technical Manager.	Council, Technical Committee and CEO.

		Compliance Staff to republish the updated information.			
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