

### 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 adoption<sup>1</sup> and implementation<sup>2</sup> 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 IFAC Member Compliance Program website.

#### **ACTION PLAN**

<b>IFAC Member/Associate:</b>	Lebanese Association of Certified Public Accountants (LACPA)
<b>Approved by Governing Body:</b>	LACPA Council
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<sup>1</sup> 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.

<sup>2</sup> 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

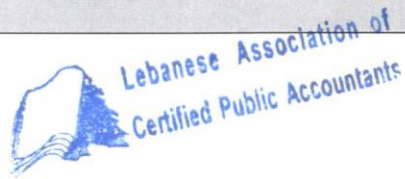
<b>ACCA</b>	Association of Chartered Certified Accountants
<b>BDL</b>	Bank of Lebanon (Central Bank)
<b>CMA</b>	Certified Management Accountants
<b>CPA</b>	Certified Public Accountants
<b>CPD</b>	Continuing Professional Development
<b>EC</b>	Examination Committee, LACPA
<b>FIDEF</b>	Fédération internationale des experts-comptables et commissaires aux comptes francophones
<b>IAASB</b>	International Auditing and Assurance Standards Board
<b>IASB</b>	International Accounting Standards Board
<b>IFAC</b>	International Federation of Accountants
<b>IFRSs</b>	International Financial Reporting Standards
<b>IOF</b>	Institute of Finance
<b>IMA</b>	Institute of Management Accountants
<b>IPSASs</b>	International Public Sector Accounting Standards
<b>ISAs</b>	International Standards on Auditing
<b>ISQC</b>	International Standard on Quality Control
<b>LACPA</b>	Lebanese Association of Certified Public Accountants
<b>LTI</b>	LACPA Training Institute
<b>MAC</b>	Membership Acceptance Committee, LACPA
<b>MC</b>	Magazine Committee
<b>MET</b>	Ministry of Economy and Trade
<b>MOF</b>	Ministry of Finance, Republic of Lebanon
<b>MOJ</b>	Ministry of Justice
<b>MOU</b>	Memorandum of Understanding
<b>MTC</b>	Ministry of Trade and Commerce
<b>OEC</b>	Ordre des Experts Comptables
<b>PEAC</b>	Professional Ethic Advisory Committee
<b>QC</b>	Quality Control
<b>QCSC</b>	Quality Control Supervisory Commission
<b>QCTC</b>	Quality Control Technical Committee
<b>R&amp;D</b>	Research and Development
<b>SME</b>	Small and Medium Enterprises
<b>SMO</b>	Statement of Membership Obligation
<b>SMP</b>	Small and Medium Practitioners
<b>SRDC</b>	Scientific Researches and Development Committee, LACPA
<b>TC</b>	Standards Training Committee, LACPA
<b>WB</b>	World Bank

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**Action Plan Subject:** SMO 1 – Quality Assurance  
**Action Plan Objective:** Establishment of a Quality Assurance Review System

#	Start Date	Actions	Completion Date	Responsibility	Resource
<p>Background:</p> <p>The LACPA External Quality Assurance (QA) review system was originally defined in 2005. Due to political instability in the country and lack of required awareness activities, the related Quality Assurance reviews were not started. The program was delayed and reactivated late 2008. A procedures manual and a training document were prepared for the Peer Review Process by 2009. After approving and publishing Quality Control Manual, LACPA and based on the recommendations of the Quality Control Committee assigned to develop the above manual through its General Assembly 03/12/2013 amended its bylaws under article No 31 to establish two Committees, namely Quality Control Supervisory Commission and Quality Control Technical Committee.</p> <p>LACPA launched officially the adoption and implementation of the Peer Review and Quality Assurance system during its 19<sup>th</sup> International Scientific Congress in November 26, 2014. During 2015, LACPA reviewed its published quality control manual and ensured its compliance with the revised requirements of SMO 1 and established the two internal bylaws of the QCSC and QCTC and appointed the members of the QCSC.</p> <p>The Association has conducted a series of events and activities in late 2014 and in 2015 to prepare for the implementation of the peer review process which included: production of an audit manual and related working papers for Small and Medium Practices (SMPs); workshops to support SMPs; identified international and local partners to provide financial support for the peer review program in the early years; selected and trained external quality assurance reviewers; in addition to hosting several technical workshops for its members trainees, and the business community.</p> <p>Moreover, on November 4 and 5, 2015, a training workshop for the peer reviewers was conducted in Beirut, Lebanon. This training was organized in collaboration with the American institute of CPAs and offered by the AICPA team, for reviewers from Lebanon, Jordan and Egypt. The attendees were the adopted quality control reviewers by the LACPA.</p>					

#	Start Date	Actions	Completion Date	Responsibility	Resource
<b>Action Plan Subject:</b>		SMO 1 – Quality Assurance			
<b>Action Plan Objective:</b>		Establishment of a Quality Assurance Review System			
<i>Establishing/Supporting the Establishment of QA review system</i>					
1.	March 2015	<ul style="list-style-type: none"> <li>▪ Arrange specialized workshop trainings concerning the Audit File Manual developed by the technical Committee for small and medium practice firms as well as sole practitioners.</li> </ul>	16 sessions in 2015 and will continue during 2016	<ul style="list-style-type: none"> <li>▪ LACPA Board</li> <li>▪ LTI</li> <li>▪ Audit file Technical committee</li> </ul>	<ul style="list-style-type: none"> <li>▪ ISQC1</li> <li>▪ ISA</li> <li>▪ Relevant local laws and regulations</li> <li>▪ Audit Manual developed by Technical Committee</li> <li>▪ Trainers: Audit File Manual committee and other technical trainers as needed</li> </ul>
2.	2015	<ul style="list-style-type: none"> <li>▪ Communicating the importance of quality assurance and quality control to LACPA members and business community through conducting forums and dialogues, and publications.</li> </ul>	Ongoing	<ul style="list-style-type: none"> <li>▪ LACPA Board</li> <li>▪ QCSC</li> <li>▪ SRDC</li> </ul>	<ul style="list-style-type: none"> <li>▪ LACPA Board</li> <li>▪ LACPA Members</li> <li>▪ LACPA Magazine</li> </ul>
3.	July 2015	<ul style="list-style-type: none"> <li>▪ Identify International and local partners to provide financial support and fund for the Peer Review Program for the first 3 years.</li> <li>▪ Appointing Technical Advisor for LACPA who will be member of the QCTC</li> <li>▪ Implementation of the External Quality Assurance review system with priority on audit firms (representative sample) that audit listed and public interest companies (banks, financial institutions...). It is scheduled that quality control will be mandatory to all LACPA members starting the third quarter 2016.</li> </ul>	<p>Ongoing</p> <p>July 2016</p> <p>October 2016</p>	<ul style="list-style-type: none"> <li>▪ LACPA Board</li> <li>▪ Recruiting Committee</li> <li>▪ LACPA Board</li> <li>▪ QCSC</li> </ul>	<ul style="list-style-type: none"> <li>▪ International Partners</li> <li>▪ International and Local Donors</li> <li>▪ Adopted reviewers</li> <li>▪ Reviewers from Jordan and Egypt</li> </ul>



4.	July 2015	<ul style="list-style-type: none"> <li>▪ Raise LACPA members' awareness of the Quality Assurance Program through arranging technical workshops training on the Quality Control and Peer review manuals.</li> <li>▪ Draft the internal bylaws of the newly established committees QCSC and QCTC, taking in consideration its independency.</li> <li>▪ Put in place the required tools to ensure a confidential environment for QCSC and QCTC work at LACPA premises through maintaining separate offices, IT infrastructure, database etc.</li> </ul>	<p>July 2016 (current LACPA Members)</p> <p>February 2016</p> <p>February 2017</p>	<ul style="list-style-type: none"> <li>▪ LACPA Board</li> <li>▪ QCTC</li> <li>▪ LTI</li> <li>▪ QCSC</li> <li>▪ LACPA Board</li> </ul>	
5.	November 2015	<ul style="list-style-type: none"> <li>▪ 2 days technical workshop training in Beirut, offered by the AICPA professionals, for around 70 adopted peer reviewers from Jordan, Egypt and Lebanon constituting the core of centralized adopted quality control reviewers in the region.</li> </ul>	November 2015	<ul style="list-style-type: none"> <li>▪ LACPA Board</li> <li>▪ LTI</li> <li>▪ AICPA</li> </ul>	AICPA Course Manuals
<i>Maintaining Ongoing Processes</i>					
6.	2017	<ul style="list-style-type: none"> <li>▪ Periodic review of the External Quality Assurance review system to ensure proper implementation and to correct any misapplications.</li> </ul>	2017 - 2018	<ul style="list-style-type: none"> <li>▪ LACPA Board</li> <li>▪ QCSC</li> </ul>	<ul style="list-style-type: none"> <li>▪ Reviewers</li> <li>▪ Firms</li> <li>▪ QCTC</li> <li>▪ International Partners</li> </ul>
<i>Review of LACPA's Compliance Information</i>					
7.		<ul style="list-style-type: none"> <li>▪ Perform periodic review of LACPA's Peer Review process.</li> <li>▪ Set up a comprehensive Quality Assurance process and update the IFAC compliance self-assessment questionnaire and sections relevant to revised SMO1.</li> <li>▪ Communicate with IFAC compliance staff to facilitate the publication of the updated information.</li> </ul>	Ongoing	<ul style="list-style-type: none"> <li>▪ LACPA Board</li> <li>▪ QCSC</li> </ul>	<ul style="list-style-type: none"> <li>▪ IFAC</li> </ul>



**Action Plan Subject:** SMO 2 – International Education Standards for Professional Accountants and Other Pronouncements issued by the IAESB  
**Action Plan Objective:** Implementation and Application of International Education Standards (IESs)

#	Start Date	Actions	Completion Date	Responsibility	Resource
Background:					
<p>LACPA established its Training Institute in 2013 to develop and improve the professional skills of its members and trainees. As stated in the LACPA bylaw, all members should attend a minimum of 40 hours for their Continuing Professional Development (CPD). The training institute is offering specialized seminars and workshops on special topics as Audit and Assurance (ISAs), IFRS, Business Soft Skills, Taxation, etc...</p> <p>During 2014, the Lebanese Association Of Certified Public Accountants (LACPA) and in collaboration with the World Bank has launched professional diplomas in coordination with international associations, giving its members and trainees the chance to benefiting from the specialized IFRS training adopting ACC DiplFR materials, the Audit material and selected parts of the IMA-CMA material to be used for the Managerial Accounting courses. Accordingly, LACPA training institute aims to provide all LACPA members and trainees with the most advanced and latest developments to evolve in their profession.</p> <p>In addition, in 2014, LACPA council amended the internal bylaws of the Examination Committee as per international standards to ensure rotation of its members every three years and to schedule two exams run on a semi-annual basis.</p>					
<i>Raising Awareness of International Education Standards for Professional Accountants (IESs), International Education Practice Statements for Professional Accountants (IEPSs), and International Education Information Papers for Professional Accountants (IEIPs)</i>					
1.	2014	<ul style="list-style-type: none"> <li>▪ Continue offering regular courses in <b>DiplFR</b> (84 hrs.), <b>Auditing and Assurance</b> (42 hrs.), <b>Managerial Accounting and Reporting</b> (48 hrs.) as per MOUs signed with ACCA and IMA in 2014.</li> <li>▪ LACPA is offering 2 sessions, twice a year of these professional diplomas for LACPA members and trainees.</li> </ul>	Ongoing	<ul style="list-style-type: none"> <li>▪ LACPA Board</li> <li>▪ LTI</li> </ul>	<ul style="list-style-type: none"> <li>▪ ACCA</li> <li>▪ IMA</li> </ul>
2.	2015	<ul style="list-style-type: none"> <li>▪ LACPA introduced the Law and Taxation Course (44 hrs.) for members and trainees covering the Lebanese relevant laws.</li> </ul>	Ongoing	<ul style="list-style-type: none"> <li>▪ LACPA Board</li> <li>▪ LTI</li> </ul>	<ul style="list-style-type: none"> <li>▪ Lebanese Laws</li> </ul>
3.	November 2015	The LACPA agreed with the AICPA to offer the LACPA members and trainees online Continuing Professional Education programs developed by the AICPA	March 2016 ongoing	<ul style="list-style-type: none"> <li>▪ LACPA Board</li> <li>▪ LTI</li> </ul>	<ul style="list-style-type: none"> <li>▪ AICPA</li> </ul>



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#	Start Date	Actions	Completion Date	Responsibility	Resource
4.	April 2014	<ul style="list-style-type: none"> <li>▪ Amended the internal bylaw of the Examination Committee to ensure rotation of its members every three years and to schedule two exams run on a semi-annual basis.</li> </ul>	September 2014 Ongoing	<ul style="list-style-type: none"> <li>▪ LACPA Board</li> <li>▪ EC</li> </ul>	
5.	April 2014	<ul style="list-style-type: none"> <li>▪ Adopted the new examination syllabus of LACPA as per international requirements</li> </ul>	July 2014 Ongoing	<ul style="list-style-type: none"> <li>▪ LACPA Board</li> <li>▪ EC</li> </ul>	<ul style="list-style-type: none"> <li>▪ Universities</li> </ul>
6.	January 2015	<ul style="list-style-type: none"> <li>▪ IFRS, Audit and Managerial Accounting examinations syllabus are available to all universities operating in Lebanon.</li> <li>▪ LACPA will promote and assist universities to adopt exams programs and will make sure all related education institutions will adopt them.</li> <li>▪ Monitor the application of these programs, and ensure any amendments and newly issued standards are properly implemented</li> </ul>	June 2015 Ongoing	<ul style="list-style-type: none"> <li>▪ LACPA Board</li> <li>▪ TC</li> <li>▪ LTI</li> </ul>	<ul style="list-style-type: none"> <li>▪ Universities</li> </ul>
<i>Adopting and Implementing International Educational Standards</i>					
8.	September 2014	<ul style="list-style-type: none"> <li>▪ Set up a training schedule on specialized topics through LACPA Training Institute.</li> </ul>	On going	<ul style="list-style-type: none"> <li>▪ LACPA Board</li> <li>▪ TC</li> <li>▪ LTI</li> </ul>	<ul style="list-style-type: none"> <li>▪ External and internal speakers</li> </ul>
10.	July 2014	<ul style="list-style-type: none"> <li>▪ Partnering with regulatory bodies (Banking Control Commission, Insurance Control Commission) and the Lebanese Ministry of Finance (Institut des Finances – Bassil Fuleihan) to benefit from the IFRS Diploma program.</li> </ul>	On going	<ul style="list-style-type: none"> <li>▪ LACPA Board</li> </ul>	<ul style="list-style-type: none"> <li>▪ Regulatory Bodies</li> <li>▪ MOF</li> </ul>
<i>Maintaining Ongoing Processes</i>					
11.	January 2015	<ul style="list-style-type: none"> <li>▪ Set quality control tools to ensure that LACPA trainees and members are attending the mandatory number of hours as per the internal bylaws.</li> </ul>	January 2015	<ul style="list-style-type: none"> <li>▪ LACPA Board</li> </ul>	<ul style="list-style-type: none"> <li>▪ LACPA Law</li> <li>▪ LACPA Internal bylaws</li> </ul>
12.	January 2015	<ul style="list-style-type: none"> <li>▪ Set up a Report Training Template to be presented by trainees every semester showing the progress of their professional handled jobs related to accounting and auditing.</li> </ul>	Ongoing	<ul style="list-style-type: none"> <li>▪ LACPA Board</li> </ul>	<ul style="list-style-type: none"> <li>▪ LACPA Law</li> <li>▪ LACPA Internal bylaws</li> </ul>
13.	January 2015	<ul style="list-style-type: none"> <li>▪ Implement the Report Training according the internal bylaws.</li> </ul>	Ongoing	<ul style="list-style-type: none"> <li>▪ LACPA Board</li> <li>▪ PEAC</li> <li>▪ MAC</li> </ul>	<ul style="list-style-type: none"> <li>▪ LACPA Law</li> <li>▪ LACPA Internal bylaws</li> </ul>



#	Start Date	Actions	Completion Date	Responsibility	Resource
14.	September 2014	<ul style="list-style-type: none"> <li>▪ Continue awareness program on educational requirements and follow up with trainees to ensure that LACPA's education requirements are constantly in line with the standards.</li> </ul>	Ongoing	<ul style="list-style-type: none"> <li>▪ LACPA Board</li> <li>▪ TC</li> <li>▪ LTI</li> </ul>	<ul style="list-style-type: none"> <li>▪ IFAC</li> <li>▪ FIDEF</li> <li>▪ OEC</li> <li>▪ Technical Committee</li> <li>▪ World Bank</li> </ul>
15.	October 2014	<ul style="list-style-type: none"> <li>▪ Review new and revised IESs issued by the International Accounting Education Standards Board (IAESB). Plan activities to ensure new requirements are incorporated in professional accountancy education requirements.</li> </ul>	Ongoing	<ul style="list-style-type: none"> <li>▪ LACPA Board</li> <li>▪ TC</li> <li>▪ LTI</li> </ul>	
16.	2015	<ul style="list-style-type: none"> <li>▪ Raising awareness about the profession and LACPA role at forums organized by universities in Lebanon.</li> </ul>	Ongoing	<ul style="list-style-type: none"> <li>▪ LACPA Board</li> <li>▪ LTI</li> </ul>	
<i>Review of LACPA's Compliance Information</i>					
17.		<ul style="list-style-type: none"> <li>▪ Perform periodic review of LACPA's replies to the IFAC compliance self-assessment questionnaire and update sections relevant to revised SMO 2 as necessary and inform IFAC compliance staff accordingly.</li> </ul>	Ongoing	<ul style="list-style-type: none"> <li>▪ LACPA Board</li> <li>▪ R&amp;D</li> </ul>	<ul style="list-style-type: none"> <li>▪ IFAC</li> </ul>




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**Action Plan Subject:** SMO 3 – International Standards and other Pronouncements Issued by the IAASB  
**Action Plan Objective:** Adoption and Implementation of International Standards on Auditing

#	Start Date	Actions	Completion Date	Responsibility	Resource
Background:					
<p>International Standards on Auditing (ISAs) have been adopted in Lebanon by governmental decision as they have been issued. Compliance, however, is subject to additional efforts on the part of LACPA.</p> <p>The Accountancy Profession Act of the Lebanese Association of Certified Public Accountants was issued by the Decree No. 364 on 01/08/1994 which authorizes LACPA to formulate and propose accounting and auditing principles as well as professional conduct rules in accordance with international standards, including those set by the Arab and international setters that the Association belongs to. Consequently LACPA plays an important role in proposing and adopting the standards. Requirements for local accounting and auditing standards are set in the Commercial Law, Instructions and Ministerial Orders by the Ministry of Finance (MOF), Financial Law (MOF), and by LACPA's bylaws Decree No. 364/94.</p> <p>LACPA, being the regulating body for the auditing profession in Lebanon, is working to raise awareness about standards and their application and continuously carries out training sessions for all members on these standards as well as publishes articles in its professional magazine, follows all new developments and updates and informs all members about new and revised standards. In line with its CPD program, LACPA has also launched its training program which is basically focusing on educating and training all members and students on ISAs to assist them with the implementation of the standards. Consequently, LACPA conducted a one year training program during 2015 for all its members on the revised audit manual which includes tools and working papers templates for SMPs in line with the latest ISAs.</p>					
<i>Support Adoption of ISAs</i>					
1.	April 2014	<ul style="list-style-type: none"> <li>Promote importance of the proper application of international standards through the External Quality Assurance Review System.</li> </ul>	Ongoing	<ul style="list-style-type: none"> <li>President</li> <li>LACPA Board</li> </ul>	<ul style="list-style-type: none"> <li>IFAC</li> <li>FIDEF</li> <li>OEC France</li> </ul>
2.	April 2014	<ul style="list-style-type: none"> <li>Acquire services of technical advisor to assist in commenting on the latest amendments, exposure drafts and publications of the IAASB.</li> </ul>	July 2016	<ul style="list-style-type: none"> <li>President</li> <li>LACPA Board</li> </ul>	<ul style="list-style-type: none"> <li>IFAC</li> <li>FIDEF</li> <li>Other International Organizations</li> </ul>
<i>Assist LACPA members with the implementation of ISAs</i>					
3.	April 2014	<ul style="list-style-type: none"> <li>Prepare and implement training programs to ensure proper understanding and application of ISAs.</li> <li>Support members and update their knowledge pertaining to ISAs by providing them with exposure drafts, standards, and other pronouncements issued</li> </ul>	<p>Ongoing</p> <p>Ongoing</p>	<ul style="list-style-type: none"> <li>LACPA Board</li> <li>TC</li> <li>LTI</li> </ul>	<ul style="list-style-type: none"> <li>IFAC</li> <li>TC</li> </ul>

#	Start Date	Actions	Completion Date	Responsibility	Resource
		by the IAASB through the LACPA website, magazine and seminars. <ul style="list-style-type: none"> <li>▪ Create email alert to provide all members with updated ISA publications and pronouncements.</li> </ul>	Ongoing		
4.	September 2015	<ul style="list-style-type: none"> <li>▪ Organize specialized training workshops and seminars on new, revised and updates of ISAs issued by the IAASB in 2015</li> <li>▪ The training was offered for 3 sessions where the regulatory bodies in Lebanon were invited to attend.</li> </ul>	October 2015 Ongoing	<ul style="list-style-type: none"> <li>▪ LACPA Board</li> <li>▪ LTI</li> </ul>	<ul style="list-style-type: none"> <li>▪ IAASB</li> </ul>
5.	November 2015	<ul style="list-style-type: none"> <li>▪ A dedicated panel in the LACPA 20<sup>th</sup> Congress on the New and Revised Auditing Reporting Standards</li> </ul>	November 2015	<ul style="list-style-type: none"> <li>▪ Congress Committee</li> </ul>	<ul style="list-style-type: none"> <li>▪ IAASB</li> </ul>
6.	April 2014	<ul style="list-style-type: none"> <li>▪ Set up a training schedule in collaboration with regulatory bodies such as Central Bank, MOF, Banking Control Commission and Insurance Control Commission.</li> </ul>	Ongoing	<ul style="list-style-type: none"> <li>▪ LACPA Board</li> <li>▪ TC</li> <li>▪ LTI</li> </ul>	<ul style="list-style-type: none"> <li>▪ MOF</li> <li>▪ Regulatory Bodies</li> <li>▪ LACPA Members</li> </ul>
<i>Maintaining Ongoing Processes</i>					
7.	Ongoing	<ul style="list-style-type: none"> <li>▪ Continue to support ongoing adoption and implementation of IAASB standards.</li> </ul>	Ongoing	<ul style="list-style-type: none"> <li>▪ LACPA Board</li> </ul>	<ul style="list-style-type: none"> <li>▪ IFAC</li> <li>▪ FIDEF</li> <li>▪ World Bank</li> <li>▪ Other International Organizations</li> </ul>
<i>Review of LACPA's Compliance Information</i>					
8.	May 2014	<ul style="list-style-type: none"> <li>▪ Perform periodic review of LACPA's replies to the IFAC compliance self-assessment questionnaire and update sections relevant to revised SMO 3 as necessary and keep IFAC compliance staff updated accordingly.</li> </ul>	Ongoing	<ul style="list-style-type: none"> <li>▪ LACPA Board</li> </ul>	<ul style="list-style-type: none"> <li>▪ IFAC</li> </ul>





**Action Plan Subject:** SMO 4 – IESBA Code of Ethics for Professional Accountants  
**Action Plan Objective:** Raise awareness about Code of Ethics and relate to Enforcement

#	Start Date	Actions	Completion Date	Responsibility	Resource
Background:					
LACPA issued in 2006 its amended Code of Ethics in line with the Code of Ethics issued by the International Accounting Education Standards Board (IESBA) which requires the approval of the Minister of Finance according to the law regulating the profession.					
However, LACPA is currently drafting a new revised law regulating the profession which allows revision of the Code of Ethics without the approval of the Minister of Finance.					
Assisting with the Adoption of the Revised IESBA Code of Ethics					
1.	April 2014	<ul style="list-style-type: none"> <li>▪ Appointing a specialized investigation committee to make sure that all members and trainees are in compliance with LACPA Law and internal bylaws membership obligations.</li> </ul>	Ongoing	<ul style="list-style-type: none"> <li>▪ LACPA Board</li> </ul>	<ul style="list-style-type: none"> <li>▪ IFAC</li> <li>▪ MOF</li> <li>▪ LACPA Board</li> <li>▪ World Bank</li> <li>▪ International Organizations</li> <li>▪ International Donors</li> <li>▪ IASCA</li> </ul>
Supporting LACPA Members with the Implementation of the IESBA Code of Ethics					
2.	April 2014	<ul style="list-style-type: none"> <li>▪ Update all members with all revised and adopted changes of IESBA Code of Ethics.</li> <li>▪ Establish an advisory committee for members to refer to for their related inquiries.</li> <li>▪ Include the Code dissemination and discussions in Seminars and Conferences raising the level of importance of the subject.</li> <li>▪ Ensure that the related complaints or replies are published via LACPA website.</li> <li>▪ Include courses on the IESBA Code in the CPD curriculum to assist members with the implementation of the Code.</li> <li>▪ Disseminate IESBA publications as well as IESBA new and revised requirements through LACPA magazine.</li> </ul>	Ongoing	<ul style="list-style-type: none"> <li>▪ LACPA Board</li> <li>▪ PEAC</li> </ul>	<ul style="list-style-type: none"> <li>▪ IFAC</li> <li>▪ MOF</li> <li>▪ LACPA Board</li> <li>▪ PEAC</li> <li>▪ World Bank</li> <li>▪ International Organizations</li> <li>▪ International Donors</li> </ul>



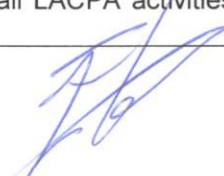
#	Start Date	Actions	Completion Date	Responsibility	Resource
<i>Maintaining Ongoing Processes</i>					
3.	April 2014	<ul style="list-style-type: none"> <li>▪ Monitor the changes made to the IESBA Code of Ethics.</li> <li>▪ Continue promotion of the Code and an awareness campaign to members and outsiders as part of the transparency effort about duties of LACPA members.</li> <li>▪ Call the Professional Ethic Advisory Committee (PEAC) to promote the Code and assist members in understanding it, and inform LACPA's board of important relevant findings on a monthly basis.</li> </ul>	Ongoing  Ongoing	<ul style="list-style-type: none"> <li>▪ LACPA Board</li> <li>▪ PEAC</li> <li>▪ TC</li> </ul>	<ul style="list-style-type: none"> <li>▪ IFAC</li> <li>▪ LACPA Board</li> <li>▪ PEAC</li> <li>▪ TC</li> <li>▪ World Bank</li> </ul>
<i>Review of LACPA's Compliance Information</i>					
4.	April 2014	<ul style="list-style-type: none"> <li>▪ Perform periodic review of LACPA's replies to the IFAC compliance self-assessment questionnaire and update sections relevant to revised SMO 4 as necessary.</li> <li>▪ Provide the IFAC compliance staff with required updates and facilitate their publication.</li> </ul>	Ongoing	<ul style="list-style-type: none"> <li>▪ LACPA Board</li> <li>▪ PEAC</li> </ul>	<ul style="list-style-type: none"> <li>▪ LACPA Board</li> <li>▪ IFAC</li> <li>▪ PEAC</li> <li>▪ World Bank</li> </ul>






**Action Plan Subject:** SMO 5 – International Public Sector Accounting Standards and Other Pronouncements Issued by the IPSASB  
**Action Plan Objective:** Promote Adoption of IPSASs

#	Start Date	Actions	Completion Date	Responsibility	Resource
Background:					
<p>In 2015, LACPA took the initiative to promote the awareness on the IPSAS application in Lebanon where it arranged a specialized three days' technical congress on IPSAS with the Ministry of Finance and in collaboration with the IPSASB in June 2015. The target participants are all senior and upper level management of the governmental departments as well as LACPA members. Subsequently, recommendations were issued by the Ministry and currently the LACPA is working on forming a committee comprising representatives from several regulatory bodies and LACPA in order to establish a work plan aiming to prepare the adequate ground for implementing the IPSAS in Lebanon.</p>					
<i>Improving LACPA's resources and capacity building abilities to provide Government with application of IPSASs in Public Sector Accounting and Reporting</i>					
1.	April 2014	<ul style="list-style-type: none"> <li>▪ Promote IPSASs and participate in a relevant campaign to raise awareness of IPSASs and motivate stakeholders to set up the public sector accounting system in accordance with IPSASs.</li> </ul>	Ongoing	<ul style="list-style-type: none"> <li>▪ LACPA Board</li> </ul>	<ul style="list-style-type: none"> <li>▪ IOF</li> <li>▪ MOF</li> <li>▪ BDL</li> <li>▪ Association of Banks</li> <li>▪ MET</li> <li>▪ NGOs promoting Transparency and Accountability</li> </ul>
2.	June 2015	<ul style="list-style-type: none"> <li>▪ Set up a specialized three-days' workshop on application IPSAS with the Ministry of Finance and in collaboration with the IPSASB</li> </ul>	June 2015	<ul style="list-style-type: none"> <li>▪ LACPA Board</li> <li>▪ MOF</li> <li>▪ LTI</li> </ul>	<ul style="list-style-type: none"> <li>▪ IPSASB</li> <li>▪ IOF</li> </ul>
3.	June 2015	<ul style="list-style-type: none"> <li>▪ The LACPA is working with the MOF on forming a committee comprising representatives from several regulatory bodies and LACPA in order to establish a work plan aiming to prepare the adequate ground for raising awareness and IPSAS implementation in Lebanon.</li> </ul>	Depends on Government response	<ul style="list-style-type: none"> <li>▪ LACPA Board</li> <li>▪ MOF</li> <li>▪ MOJ</li> </ul>	<ul style="list-style-type: none"> <li>▪</li> </ul>
4.	November 2015	<ul style="list-style-type: none"> <li>▪ A dedicated panel in the LACPA 20<sup>th</sup> Congress on IPSAS implementation and challenges.</li> </ul>	November 2015	<ul style="list-style-type: none"> <li>▪ Congress Committee</li> </ul>	<ul style="list-style-type: none"> <li>▪</li> </ul>
5.	April 2014	<ul style="list-style-type: none"> <li>▪ Promote IPSASs among LACPA members</li> <li>▪ Include IPSASs in all LACPA activities, events and publications.</li> </ul>	Ongoing	<ul style="list-style-type: none"> <li>▪ LACPA Board</li> <li>▪ MC</li> <li>▪ LTI</li> </ul>	<ul style="list-style-type: none"> <li>▪ LACPA Members</li> <li>▪ IPSAS Board</li> </ul>



#	Start Date	Actions	Completion Date	Responsibility	Resource
				▪TC	
<i>Maintaining Ongoing Processes SMO5</i>					
6.	April 2014	<ul style="list-style-type: none"> <li>▪ LACPA will elaborate on its ongoing efforts for capacity building required prior to an effective implementation of IPSASs.</li> </ul>	Ongoing	▪LACPA Board	<ul style="list-style-type: none"> <li>▪IOF</li> <li>▪MOF</li> <li>▪Governmental departments</li> <li>▪IPSAS Board</li> </ul>
<i>Review of LACPA's Compliance Information SMO5</i>					
7.	April 2014	<ul style="list-style-type: none"> <li>▪ Perform periodic review of LACPA's replies to the IFAC compliance self-assessment questionnaire and update sections relevant to revised SMO 5 as necessary.</li> <li>▪ Communicate with the IFAC compliance staff and facilitate the publication of the updated information.</li> </ul>	Ongoing	▪LACPA Board	<ul style="list-style-type: none"> <li>▪IFAC</li> <li>▪IPSAS Board</li> </ul>





**Action Plan Subject:** SMO 6 – Investigation and Discipline  
**Action Plan Objective:** To enhance the Investigation and Discipline (I&D)

#	Start Date	Actions	Completion Date	Responsibility	Resource
Background:					
LACPA is currently drafting its law regulating the profession to enhance the Investigation and Discipline committee proceedings with relevant International standards and best practices.					
<i>Launching the System of Discipline in 2014 to comply with SMO 6</i>					
1.	September 2014	<ul style="list-style-type: none"> <li>▪ Appoint a specialized investigation committee to make sure that all members and trainees are in compliance with LACPA Law and internal bylaws membership obligations.</li> </ul>	Ongoing	<ul style="list-style-type: none"> <li>▪ LACPA Board</li> </ul>	<ul style="list-style-type: none"> <li>▪ LACPA Law and internal bylaws</li> </ul>
2.	April 2014	<ul style="list-style-type: none"> <li>▪ To evaluate current Law and current bylaws identifying any required amendment to align proper disciplinary procedures with relevant International Standards and best practices.</li> </ul>	Ongoing	<ul style="list-style-type: none"> <li>▪ LACPA Board</li> <li>▪ General Assembly</li> </ul>	<ul style="list-style-type: none"> <li>▪ LACPA Board</li> <li>▪ IFAC Requirements</li> <li>▪ Other Associations of CPAs</li> </ul>
3.	April 2014	<ul style="list-style-type: none"> <li>▪ Set up of procedures and processes for a Discipline system consistent with Law of LACPA and Internal Bylaws addressing a fully operational system including: Complaints Box, Confidential Case Register, Investigation Body, Disciplinary Board, Optional Internal Appeals board, Court Appeal process.</li> </ul>	Completed in 2015 Ongoing	<ul style="list-style-type: none"> <li>▪ Disciplinary Board</li> <li>▪ PEAC</li> </ul>	<ul style="list-style-type: none"> <li>▪ Disciplinary Board</li> <li>▪ LACPA Board</li> <li>▪ IFAC Requirements</li> <li>▪ Other Associations of CPAs</li> <li>Media</li> <li>▪ Local Business Community</li> <li>International partners</li> </ul>
4.	April 2014	<ul style="list-style-type: none"> <li>▪ Accepting Complaints about LACPA members.</li> <li>▪ Conducting initial investigation.</li> <li>▪ Making Decision to investigate allegations.</li> </ul>	Ongoing	<ul style="list-style-type: none"> <li>▪ LACPA Board</li> </ul>	<ul style="list-style-type: none"> <li>▪ LACPA Board</li> </ul>
5.	April 2014	<ul style="list-style-type: none"> <li>▪ Launched the Investigation Body by forwarding cases for investigation.</li> <li>▪ Launched the Discipline process by forwarding cases for resolution.</li> </ul>	Ongoing	<ul style="list-style-type: none"> <li>▪ LACPA Board</li> </ul>	<ul style="list-style-type: none"> <li>▪ Business Community</li> <li>▪ Members complaints</li> <li>▪ lawyers complaints</li> <li>▪ court transferred cases</li> </ul>



#	Start Date	Actions	Completion Date	Responsibility	Resource
6.	April 2014	<ul style="list-style-type: none"> <li>▪ Enforce resolution and strengthen current status of LACPA.</li> </ul>	Ongoing	<ul style="list-style-type: none"> <li>▪ LACPA Board</li> <li>▪ Disciplinary Board</li> </ul>	<ul style="list-style-type: none"> <li>▪ Legal Counsel</li> <li>▪ Disciplinary Board</li> </ul>
<i>Raising Awareness of Investigation &amp; Disciplinary Mechanisms</i>					
7.	April 2014	<ul style="list-style-type: none"> <li>▪ Launch an Awareness campaign clarifying responsibilities of LACPA members towards the profession, clients, and the users of the financial statements and explaining the functioning of the Investigation and Disciplinary mechanisms in order for the public to be able to file complaints with the disciplinary body.</li> </ul>	Ongoing	<ul style="list-style-type: none"> <li>▪ Disciplinary Board</li> <li>▪ PEAC</li> </ul>	<ul style="list-style-type: none"> <li>▪ Disciplinary Board</li> <li>▪ LACPA Board</li> <li>▪ IFAC Requirements</li> <li>▪ Other Associations of CPAs</li> <li>Media</li> <li>▪ Local Business Community</li> <li>International partners</li> </ul>
<i>Maintaining Ongoing Processes</i>					
8.	April 2014	<ul style="list-style-type: none"> <li>▪ Ensure that the processes of accepting complaints confidentially, investigating allegations, prosecuting designated members, member internal optional appeal process, and external appeal process are correctly applied.</li> <li>▪ Monitor the procedures and ensure that they are in line with International Standards.</li> <li>▪ Perform periodic review of LACPA's Disciplinary Board decisions and appeals results.</li> <li>▪ Develop and update an index to illustrate how corrective action is impacting Quality and Performance.</li> </ul>	Ongoing	<ul style="list-style-type: none"> <li>▪ LACPA Board</li> <li>▪ Disciplinary Board</li> </ul>	<ul style="list-style-type: none"> <li>▪ Legal Counsel</li> <li>▪ Disciplinary Board</li> <li>▪ IFAC</li> </ul>
<i>Review of LACPA's Compliance Information</i>					
9.	April 2014	<ul style="list-style-type: none"> <li>▪ Update replies to the IFAC compliance self-assessment questionnaire and update sections relevant to revised SMO 6 as necessary.</li> <li>▪ Communicate with IFAC compliance and facilitate the publication of the updated information.</li> </ul>	Ongoing	<ul style="list-style-type: none"> <li>▪ LACPA Board</li> <li>▪ Disciplinary Board</li> </ul>	<ul style="list-style-type: none"> <li>▪ IFAC</li> <li>▪ FIDEF</li> <li>▪ WB</li> </ul>





**Action Plan Subject:** SMO 7 – International Financial Reporting Standards and Other Pronouncements issued by the IASB  
**Action Plan Objective:** Adoption and implementation of IFRSs

#	Start Date	Actions	Completion Date	Responsibility	Resource
<p>Background:</p> <p>Accounting standards in Lebanon are adopted by the MOF. Under Order No. 1/6258 of 1996 issued by the MOF, the following types of entities in Lebanon are required to use International Financial Reporting Standards (IFRSs) for the preparation of their financial statements: (1) all holding, offshore, limited liability, and joint stock companies, regardless of type, size, and number and turnover of employees; (2) all branches of foreign companies operating in Lebanon; and (3) all sole proprietorships and partnerships whose total number of employees exceeds 25 or that have annual turnover above LBP750 million (US\$500,000). Unlisted companies have the option of using full IFRSs or IFRS for SMEs. Companies listed on the Beirut Stock Exchange must use full IFRSs. The list of all applicable IFRSs is published in the Official Gazette on an annual basis. Where differing interpretations exist, the official English version of IFRSs should be referred to.</p> <p>Hence, LACPA always informs its members about all new and revised standards, support awareness campaigns, and promote IFRSs as well as IFRS for SMEs among its members and the external community in collaboration with major stakeholders. In 2013, LACPA launched a training program to all members on all accounting standards to assist them with the implementation of the standards.</p> <p>LACPA is opened channels of ongoing communication with the MOF to promote the application of IFRSs. In addition, LACPA promotes IFRS and its obligations through its training annual calendar for its members, LACPA magazine and publications.</p> <p>Starting September 2014, LACPA started providing specialized IFRS training utilizing ACCA DiplIFR materials (60-80 hours) to all its members and trainees. In addition, examiners from regulatory bodies can take benefit from the DiplIFR certificates such as: Banking Control Commission, Insurance Control Commission and inspectors from Tax department at the Ministry of Finance.</p>					
<i>Supporting IFRSs Adoption Process</i>					
1.	April 2014	<ul style="list-style-type: none"> <li>▪ Issue and publish IFRS LACPA examination syllabus based on the DiplIFR program.</li> <li>▪ Adapt the material and syllabus of DiplIFR material for LACPA examination IFRS curriculum.</li> </ul>	July 2014 Ongoing	<ul style="list-style-type: none"> <li>▪ LACPA Board</li> </ul>	<ul style="list-style-type: none"> <li>▪ LACPA members and trainees</li> <li>▪ ACCA</li> <li>▪ WB</li> </ul>
<i>Promoting IFRSs</i>					
2.	April 2014	<ul style="list-style-type: none"> <li>▪ Exempt trainees holding the DiplIFR certificate issued by ACCA from IFR LACPA exam.</li> </ul>	July 2014 Ongoing	<ul style="list-style-type: none"> <li>▪ LACPA Board</li> </ul>	<ul style="list-style-type: none"> <li>▪ LACPA members and trainees</li> </ul>
3.	September 2014	<ul style="list-style-type: none"> <li>▪ Set up training sessions on DiplIFR (78 hours).</li> <li>▪ Partnering with regulatory bodies (Banking Control Commission, Insurance Control Commission) and</li> </ul>	Ongoing	<ul style="list-style-type: none"> <li>▪ LACPA Board</li> <li>▪ TC</li> <li>▪ LTI</li> </ul>	<ul style="list-style-type: none"> <li>▪ LACPA members and trainees</li> <li>▪ World Bank</li> <li>▪ MOF</li> </ul>



#	Start Date	Actions	Completion Date	Responsibility	Resource
		the Lebanese Ministry of Finance (Institut des Finances – Bassil Fuleihan) to benefit from the DiplIFR program.			<ul style="list-style-type: none"> <li>▪Banking Control Commission</li> <li>▪Insurance Control Commission</li> <li>▪Capital Market Authority</li> <li>▪Chamber of Commerce and Industry</li> <li>▪Association of Lebanese Industrialists</li> <li>▪Beirut Trade Association</li> </ul>
4.		<ul style="list-style-type: none"> <li>▪ Set up joint workshops to raise awareness in applying IFRSs with regulatory bodies and economic associations</li> </ul>	Ongoing	<ul style="list-style-type: none"> <li>▪LACPA Board</li> <li>▪TC</li> <li>▪LTI</li> </ul>	<ul style="list-style-type: none"> <li>▪LACPA members and trainees</li> <li>▪World Bank</li> <li>▪MOF</li> <li>▪Banking Control Commission</li> <li>▪Insurance Control Commission</li> <li>▪Capital Market Authority</li> <li>▪Chamber of Commerce and Industry</li> <li>▪Association of Lebanese Industrialists</li> <li>▪Beirut Trade Association</li> </ul>
5.	April 2014	<ul style="list-style-type: none"> <li>▪ Set up training schedule on specialized IFRS topics based on latest pronouncements.</li> </ul>	Ongoing	<ul style="list-style-type: none"> <li>▪LACPA Board</li> <li>▪LTI</li> <li>▪TC</li> </ul>	<ul style="list-style-type: none"> <li>▪LACPA members</li> </ul>
6.	April 2014	<ul style="list-style-type: none"> <li>▪ Participate in international seminars and congresses in relation with IFRSs and IFRS for SMEs.</li> </ul>	Ongoing	<ul style="list-style-type: none"> <li>▪LACPA Board</li> </ul>	<ul style="list-style-type: none"> <li>▪IFAC, IASB, IFRS</li> <li>▪Professional Publications</li> <li>▪PEAC</li> <li>▪TC</li> <li>▪Relevant International Organizations</li> <li>▪World Bank</li> <li>▪UNCTAD ISAR</li> </ul>
7.		<ul style="list-style-type: none"> <li>▪ A dedicated panel in the LACPA 20<sup>th</sup> Congress on the several IFRS 9, IFRS 4 and IFRS for SMEs</li> </ul>	November 2015	<ul style="list-style-type: none"> <li>▪ Congress Committee</li> </ul>	<ul style="list-style-type: none"> <li>▪ IASB</li> </ul>
<i>Assisting LACPA Members with the Implementation of IFRSs</i>					
8.	April 2014	<ul style="list-style-type: none"> <li>▪ Regularly publish in LACPA magazine issues related to IFRSs and IFRS for SMEs.</li> <li>▪ Upgrade web home page of LACPA's website</li> </ul>	Ongoing	<ul style="list-style-type: none"> <li>▪LACPA Board</li> <li>▪MC</li> <li>▪IT and R&amp;D</li> </ul>	<ul style="list-style-type: none"> <li>▪LACPA Board</li> </ul>



#	Start Date	Actions	Completion Date	Responsibility	Resource
		(www.lacpa.org.lb) all issues related to IFRSs, IFRS for SMEs, and SMPs.		Managers	
<i>Commenting on New and Revised IFRSs</i>					
9.		<ul style="list-style-type: none"> <li>Arrange with the Technical advisor as to commit on the drafts of the newly and revised IFRS issued by the IASB.</li> </ul>	July 2016	<ul style="list-style-type: none"> <li>LACPA Board</li> <li>Technical advisor</li> </ul>	<ul style="list-style-type: none"> <li>IFAC</li> <li>IASB</li> </ul>
<i>Maintaining Ongoing Processes</i>					
10.	September 2014	<ul style="list-style-type: none"> <li>Integrate IFRS and IFRS for SMEs training sessions in the annual training calendar.</li> <li>Ensure access to IFRSs in Arabic language to disseminate to membership of LACPA.</li> </ul>	On going	<ul style="list-style-type: none"> <li>LACPA Board</li> <li>TC</li> <li>LTl</li> </ul>	<ul style="list-style-type: none"> <li>LACPA Board</li> </ul>
<i>Review of LACPA's Compliance Information</i>					
11.	September 2014	<ul style="list-style-type: none"> <li>Perform periodic review of LACPA's replies to the IFAC compliance self-assessment questionnaire and update sections relevant to revised SMO 7 as necessary.</li> <li>Once updated, the IFAC compliance staff will be informed immediately to facilitate the publication of the updated information.</li> </ul>	Ongoing	<ul style="list-style-type: none"> <li>LACPA Board</li> </ul>	<ul style="list-style-type: none"> <li>IFAC</li> <li>IASB</li> <li>IFRS</li> <li>TC</li> <li>Relevant International Organizations</li> </ul>

President  
F. Hoffmann

