

BACKGROUND NOTE ON ACTION PLANS

The SMO Action Plan is intended to provide a summary of:

- The legal and regulatory environment for the profession;
- The status of adoption of international standards and best practices in the jurisdiction; and
- The level of a Member's or Associate's fulfillment of IFAC membership requirements.

IFAC [Statements of Membership Obligations](#) (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. The SMOs are recognized as the international benchmarks for credible and high-quality PAOs that are focused on and have the necessary expertise to serve the public interest and meet the market demands of their respective jurisdictions.

IFAC Members and Associates conduct a self-assessment against the requirements of SMOs and identify areas where, if any, improvements are needed. Members and Associates should develop an Action Plan to (a) demonstrate how they fulfill the requirements of the SMOs (revised in 2012), and (b) where some requirements are not yet addressed, to present plans towards their fulfillment. Action Plans are designed to be **ever-green** documents that take into consideration IFAC recommendations. Depending on the PAO's level of fulfillment (see *IFAC's Summary Assessment* – page 2), an Action Plan may not be necessary for each SMO section and instead the '*Attestation of Ongoing SMO Compliance*' is used to confirm their ongoing commitments. However, PAOs may wish and are welcome to utilize the Action Plan as a tool to demonstrate how they are using 'best endeavors' and going beyond their mandate with innovative approaches to fulfilling the SMOs and strengthening the national profession.

The specific details of each organization's actions will vary even where two PAOs are involved in the same SMO area. Each PAO operates in its own unique regulatory and standard-setting framework and has different operating, technical, and resource capacities. Moreover, in deciding when and how a particular SMO requirement is to be addressed, PAOs might have differing timeframes and objectives to achieve. Notwithstanding these inevitable differences, seeking the advice and assistance of other PAOs who have already faced and dealt with similar challenges can save significant time and resources. IFAC staff will offer assistance as needed.

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 website.

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 affect 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.

ACTION PLAN

IFAC Member: Ordre des Experts-Comptables du Royaume du Maroc (OEC)
Approved by Governing Body: OEC Board
Original Publish Date: May 2009
Last Updated: May 2024
Next Update:

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

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

FOR IFAC COMPLETION	PAO Level of Responsibility for Adoption	Adoption Status as of 2024	Level of SMO Fulfillment as of 2024
QA / SMO 1	Direct	▲ Partially Adopted	■ Review & Improve
IES / SMO 2	Shared	■ Adopted	■ Sustain
ISA / SMO 3	Direct	▲ Partially Adopted	▲ Execute
IESBA / SMO 4	Direct	▲ Partially Adopted	▲ Plan
IPSAS / SMO 5	No Direct	▲ Partially Adopted	■ Sustain
I&D / SMO 6	Direct	▲ Partially Adopted	▲ Plan
IFRS / SMO 7	No Direct	▲ Partially Adopted	■ Sustain

Attestation of SMO Compliance

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

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

GLOSSARY

CNC	Conseil National de la Comptabilité / National Council of Accountancy
CPE	Continuing Professional Education
IAASB	International Assurance and Auditing Standards Board
IES	International Education Standard
ISA	International Standard on Auditing
IFRS	International Financial Reporting Standards
IPSAS	International Public Sector Accounting Standards
IPSASB	International Public Sector Accounting Standards Board
ISQC 1	International Standard on Quality Control
IESBA	International Ethics Standards for Accountants
I&D	Investigation and Discipline
SMO	Statement of Membership Obligations

Action Plan Subject: SMO 1–Quality Assurance
Action Plan Objective: Develop a Quality Assurance Review System in accordance with SMO 1 Requirements and the International Standard on Quality Control (ISQC1)

Background:					
<p>OEC-Morocco has responsibility for establishing a mandatory quality assurance (QA) review system with regards to all audits of financial statements in accordance with Law 15-89. The OEC has already adopted the International Standard on Quality Control (ISQC) 1 as of January 2011, and the profession is self-regulated and there is no independent audit oversight authority. Since September 2009, the quality control is carried out every year by the 6 regional councils (Rabat); the quality controllers are trained and are annually appointed by the OEC.</p>					
#	Start Date	Actions	Completion Date	Responsibility	Resources
Preparation for the Adoption and Implementation of ISQC1					
1.	March 2008	National Council of Accountancy to establish a Practice Assurance Committee to adopt and incorporate ISQC 1 in the Standards Handbook and to support its implementation.	Completed	Ethic and Quality Control Committee Chairman	Ethics and Quality Control Committee Members
2.	September 2008	Establish contact with the French Speaking organization and obtain a copy of the ISQC1 standard French translation.	Completed	National Council Vice President	National Council Vice President
3.	October 2008	Prepare a planning to incorporate ISQC1 in the Standards Handbook; ISQC1 will be incorporated into the standard relating to professional activity control.	Completed	Ethics and Quality Control Committee Chairman	Members of the National Council and the Regional Councils and Others Non-Elected Colleagues
Adoption of ISQC 1					
4.	November 2008	Assimilate the ISQC1 requirements and prepare a draft to submit to the National Council for approval.	Completed	Ethics and Quality Control Committee Chairman	Members of the National Council and the Regional Councils and Others Non-Elected Colleagues
5.	April 2009	National Council to adopt ISQC1.	Completed	National Council Chairman	National Council Members

Implementation of ISCQ1					
6.	April 2009	Raise all OEC members' awareness of ISCQ1 by organizing seminars.	Completed	National Council Chairman	National Council Members
7.	June 2009	Train the QA reviewers and members of the Institute of Chartered Accountants on the requirements of ISQC1.	Completed	Members of the National Council in association with the French Institute of Chartered Accountants	Members of the National Council of accountancy in association with the French Institute of Chartered Accountants
8.	June 2009	Research, develop, maintain and regularly update appropriate supporting materials tools (i.e. questionnaire) for quality controllers in practice.	Completed	National Council Chairman	National Council Members
9.	July 2009	Implement ISQC1 in respect of the work done by the members since July 2009.	Completed	Chairmen of National Council and the Regional Councils	Members of the National Council and the Regional Councils
10.	October 2020	Monitor new quality management standards developments and support materials published, then distribute to OEC members through e-newsletters or website publications	Continuous	Chairmen of National Council and the Regional Councils	Members of the National Council and the Regional Councils
11.	Février 2024	Setting up of an ISQM 1 implementation working group. It should be noted that most audit firms are small entities that are short staffed. However, firms backed by international networks have already implemented ISQM 1 within their firms.	Ongoing	Regional and National Standardization Committees Chairmen	Members of the National Council and the Regional Councils
Maintaining Convergence Process					
12.	2011	Further develop the action plan for the development of the QA review system in accordance with the requirements of the SMO 1. For now, no major changes to come to quality assurance procedures	Completed	Standardization Committee	Standardization Committee

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.	X			
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.	X			
3. Most up to date versions of ISQC 1 and other relevant ISAs are adopted as the quality control standards.	X			
4. Member Body assists firms in understanding the objectives of quality control and in implementing and maintaining appropriate systems of quality control.	X			
Review cycle				
5. A cycle-based, risk-based or a mixed approach for selecting firms for QA review is used.			X	Audit firms that will undergo QC are generally selected through a random draw. In case of suspicion of non-compliance with OEC due diligence procedures or any other risk, a firm can be specifically targeted.
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).		X		Audits of all member firms are rotated within a period of less than 5 years, except in the event of a major complication (exceptional period such as a COVID pandemic that prevented QA from being carried out in 2020 and 2021). A firm may not be audited twice within a three-year period.
QA Review Team	X			The selected quality controller undertakes, through his declaration of commitment, to comply with OEC's due diligence requirements,

Requirements	Y	N	Partially	Comments
7. Independence of the QA Team is assessed and documented.				professional standards and the guide to the conduct of professional activity control. He also undertakes to remain independent, and to request his recusal in the event of an event likely to alter the neutrality of his judgment;
8. QA Team possesses appropriate levels of expertise.	X			Annual training is provided to the people in charge of quality control.
Reporting				
9. Documentation of evidence supporting the quality control review report is required.	X			
10. A written report is issued upon conclusion of the QA review and provided to the firm/partner reviewed.	X			The report draft is prepared by the reviewer, validated by the regional council, and sent to the professional for comment .
Corrective and disciplinary actions				
11. Reviewed firms/partners are required to make timely adjustments to meet recommendations from the review report.	X			3 types of scoring : A→ No comments (professional standards and OEC rules applied) B→ Few comments C→ Many comments due to the breach of many professional standards and OEC rules. Regional Council convenes firm representatives to discuss shortcomings and submit proposals for improvement. A committee is set up to monitor and support these firms. A new control is carried out the following year
12. QA review system is linked to the Investigation and Discipline system.			X	
Consideration of Public Oversight				
13. The body responsible for QA reviews cooperates with its oversight body and shares information on		X		Not applicable as no public oversight body controls the body responsible for QA reviews

Requirements	Y	N	Partially	Comments
the functioning of the QA review system, as needed.				
Regular review of implementation and effectiveness 14. Regular reviews of implementation and effectiveness of the system are performed.	X			

Action Plan Subject: SMO 2–International Education Standards for Professional Accountants and Other Pronouncements Issued by the IAESB
Action Plan Objective: Adopt and implement IES 7 and continue to ensure that the OEC’s education system is in line with the IES

Background:					
<p>Candidates for OEC membership are required to complete a program of professional accountancy education, a three-year long practical experience requirement, and pass final examinations. OEC members are also required to complete Continuous Professional Education (CPE) requirements that have recently been strengthened by the OEC in accordance with the International Education Standards (IES) 7, <i>Continuing Professional Development: A Program of Lifelong Learning and Continuing Development of Professional Competence</i>.</p> <p>The measures of the revised IES have been taken into consideration concerning the revision of the local standard of training for both CPD and IPD.</p>					
#	Start Date	Actions	Completion Date	Responsibility	Resources
Preparation of the IES 7 Adoption and Implementation					
13.	May 2008	Establish contact with the French Speaking organizations and obtain a copy of the French translation of IES 7.	Completed	Vice President	Vice President
14.	September 2008	Strengthen the OEC Training Center and send to all OEC members an annual program of CPE courses. The annual program, which is set in accordance with all the requirements of IES, is used for monitoring mandatory (40 hours / year) and optional training.	Annual basis	National Training Committee Chairman	National and Regional Training Committees
Adoption of IES 7 Standard					
15.	November 2008	The National Council to formally incorporate IES 7 in the national education requirements of OEC.	Completed	National Council Chairman	National Council Members
Implementation of IES					
16.	November 2008	<p>Raise OEC members’ awareness about the annual program aforementioned and the main requirements of the IES7.</p> <ul style="list-style-type: none"> - November 2008 the IES7 was presented to the National Council for adoption; - The members were informed; - The presentation was made to the General Assembly of the OEC. 	Completed	National Education Committee Chairman	National and Regional’s Education Committees

17.	January 2021	Conduct review against 2019 IES	September 2021	National Education Committee Chairman	National and Regional's Education Committees
18.	February 2024	Encourage all members to attend IFAC's joint webinar with the International Association for Accounting Education & Research (IAAER) on February 7, 2024	February 2024	National Education Committee Chairman	National and Regional's Education Committees
<i>Developing Systems for Monitoring Compliance with the CPE Requirements and Delivering Sanctions If Necessary</i>					
18.	July 2009	Collect the annual training statement of all the members.	Annual Basis	National and regional Education Committee Chairmen	National and Regional's Education Committees
19.	October 2009	Implement the sanctions foreseen by OEC national education requirements in case of breach of the IES 7 requirements. This can occur on an annual basis. - An email is sent to members each year to send feedback about the training; - The annual monitoring of this aspect is performed by the Regional Council.	Annual Basis	National and regional Education Committee Chairmen	National and Regional Education Committees Members
<i>Maintaining Ongoing Processes</i>					
20.	October 2009	Continue to ensure that OEC's education system is operating effectively and in line with all SMO 2 and IES requirements, including the revised Int. Education Standard (IES) 7. This includes periodic review of the existing system and updating the Action Plan for future activities as necessary.	Continuous	National Education Committee Chairman	National and Regional Education Committees

Action Plan Subject: SMO 3—International Standards and other Pronouncements Issued by the IAASB
Action Plan Objective: Establish and Maintain Processes for Ongoing Adoption and Implementation of IAASB Pronouncements

Background:					
<p>Since December 2012, date of Ethic approval by the OEC National Council, it was decided that all members should refer to the Ethic Code of IFAC and revised ISAs in all contractual audit engagements. 1413. OEC-Morocco reports that it incorporates latest revisions to the IAASB Handbook that are available in French, on an ongoing basis as they become effective. It also provides its members with the latest English version of the Handbooks as issued by IAASB.</p> <p>OEC-Morocco adopted the 2016-2017 Handbook of International Quality Control, Auditing, Review, Other Assurance and Related Services Pronouncements for application in all contractual audit engagements and reports to have completed the convergence between Moroccan Standards on Auditing with the 2016-2017 Handbook for statutory audit engagements..</p> <p>For the statutory audit, the ethics code convergence with the legal requirements was completed (see SMO4), the convergence of the statutory audit manual with new legal aspects is performed gradually, and the convergence with ISAs standards is in progress and the completion date was set on December 2017</p> <p>In 2021, OEC Morocco updated the audit reports for social and consolidated accounts. They've been shared with all members in May 2021.</p>					
#	Start Date	Actions	Completion Date	Responsibility	Resources
<i>Establishing and Maintaining Process for Ongoing Adoption of ISAs</i>					
21.	September 2008	<p>Formalize an arrangement with the Fédération Internationale des Experts-comptables Francophones (FIDEF) or the French-speaking professional organizations to have regular access to the translated IAASB pronouncements, exposure drafts, discussion papers and consultation papers on auditing standards.</p> <p>The new manual has been adopted by the National council on February 2008. The OEC has set as a priority the maintaining of the national audit handbook in conformity with the new and amended pronouncements of the IAASB translated by FIDEF.</p>	Completed	Regional and National Standardization Committees Chairman	Standardization Committee
22.	September 2008	Monitoring of new and amended IAASB pronouncements translated by the French-speaking organization, including clarified ISAs.	Completed	Regional and National Standardization Committees Chairman	Regional and National Standardization Committees

23.	2008-2012	Broadcast exposure drafts of Moroccan Standards on Auditing through the OEC's Standards Committee to obtain comments from OEC members and to assess the impact of their implementation at the national level.	Completed	Regional and National Standardization Committees Chairman	Regional and National Standardization Committees members and staff
24.	2017	Update the Moroccan Standards on Auditing in accordance with the new and amended IAASB pronouncements translated by the French-speaking organization.	Completed	National Council	Regional and National Standardization Committees Chairmen, members and staff
25.	January 2024	Setting up of a task force Update the Moroccan Standards on Auditing in accordance with the revised ISAs and with the new and amended IAASB pronouncements translated by the French-speaking organization.	Ongoing	National Council	Regional and National Standardization Committees Chairmen, members and staff
<i>Assisting with the Implementation of the Auditing Standards</i>					
26.	September 2008	Ensure the CPE, pre-qualification and training programs, that are being set up by OEC, support the effective implementation of ISAs and other IAASB pronouncements.	Continuous	Regional and National Training Committee Chairman	Regional and National Training Committee Chairman
27.	September 2008	Inform regularly the OEC members about the activities of the Regional and National Standardization Committees and about the new and amended IAASB pronouncements. This is done through the Standards Committee and/or the International Relations Committee which informs members of the issuing of new standards and their adoption.	Continuous	Regional and National Standardization Committees Chairman	Regional and National Standardization Committee members and staff
<i>Maintaining Ongoing Convergence Process</i>					
28.	Since 2008	Continue to adopt and implement IAASB pronouncements. This includes the regular update of the action plan and the planning of future activities as necessary. OEC regularly monitors its members' activities through the QA review system to ensure they are compliant with the Moroccan Standards on Auditing.	Continuous	National and regional Standardization Committee Chairmen	Regional and National Standardization Committee members and staff

Action Plan Subject: SMO 4–IESBA Code of Ethics for Professional Accountants
Action Plan Objective: Establish an ongoing process for the adoption and implementation of the IESBA Code of Ethics

Background:

OEC-Morocco reports that it incorporates revisions to the IESBA Code of Ethics on an ongoing basis as they become effective. It reports to be in the process of arranging training in 2024 on IESBA’s Public Interest Entities (PIEs) definition in French.

For statutory audit, the Ethical requirements are set out both in law (Law of Limited Companies, Law Regulating the Profession of Certified Accountants and Establishing the Certified Public Accountants Association) and by OEC itself with regards to its members.

(cf the file attachment Code of Ethics)

Added Corporal Social Responsibility CPD session and Code of Ethics – will provide international certification on ethics and corporate social responsibility.

#	Start Date	Actions	Completion Date	Responsibility	Resources
<i>Adoption of the Revised IESBA Code of Ethics</i>					
29.	July 2008	Request and obtain the translation from the French-speaking organizations of the revised IESBA Code of Ethics.	Completed	2nd Vice President	2nd Vice President
30.	November 2008	Identify differences between the current OEC Code of Ethics and the requirements of the revised IESBA Code of Ethics.	Completed	Ethics and Professional Duties National Committee Chairman	Ethics and Professional Duties National Committee
31.	April 2008	Draft OEC Code of Ethics in accordance with the revised IESBA Code of Ethics.	Completed	Ethics and Professional Duties National Committee Chairman	Ethics and Professional Duties National Committee
32.	December 2009	The national council to approve the final updated version of OEC revised Code of Ethics.	Completed	National Council Chairman	National Council Members

33.	January 2011	Issue the exposure draft of the OEC revised Code of Ethics to the Ethics and Professional Duties National Committee members and to the main partners of the OEC.	Completed	Ethics and Professional Duties National Committee Chairman	Ethics and Professional Duties National Committee
Promotion of the IESBA Revised Code of Ethics					
34.	October 2008	Encourage the local authorities to set the legal requirements in accordance with the IESBA revised Code of Ethics.	Completed	Ethics and Professional Duties National Committee Chairman	Ethics and Professional Duties National Committee
Implementation of the Revised OEC Code of Ethics					
35.	January 2010	Update the OEC training and CPE programs in accordance with the new and revised IESBA's Code of Ethics.	Completed	National and Regional Education Committee Chairmen	Standardization Committee
36.	January 2010	Raise OEC members' awareness and train them on the new requirements of the revised Code of Ethics. OEC includes trainings on the Code of Ethics in its yearly CPD programming.	Continuous	Ethics and Professional Duties National Committee Chairman	National and Regional's Education Committees
37.	January 2010	Communicate to the OEC members the planned revisions of the IESBA Code of Ethics and other pronouncements (Through emails and annual General Meetings)	Completed	Ethics and Professional Duties National Committee Chairman	National Council and Regional Councils
38.	January 2018	Provide members with latest versions of English and French version of Handbooks	Completed	Ethics and Professional Duties National Committee Chairman	Ethics and Professional Duties National Committee
39.	January 2020	Adoption by the National Council, in 2019, of the "Code of Professional Duty" consistent with the IFAC Code of Ethics (V.2009) followed by publication in the Moroccan Official Journal.	Completed	National Council	Ethics and Professional Duties National Committee

Maintaining Ongoing Convergence Process					
40.	Continuous	Monitor new and amended standards of the IESBA and future planned revisions of the ethics code as adopted by the IESBA to ensure its adoption by the OEC.	Continuous	Regional and National Standardization Committees Chairmen	Regional and National Standardization Committee members and staff
41.	Continuous	Continue to support ongoing convergence with IESBA code. This includes the review of the action plan to ensure the implementation of the planned and the future activities as necessary.	Continuous	Regional and National Standardization Committees Chairmen	Regional and National Standardization Committee members and staff

Action Plan Subject: SMO 5–International Public Sector Accounting Standards and Other Pronouncements Issued by the IPSASB
Action Plan Objective: Continue to promote the adoption and implementation of IPSASs in Morocco.

Background:

The Conseil National de la Comptabilité (CNC) (established by decree in 1989, and mandated by law 15-89 of January 1993 enacted by Dahir 1-92-139 of 14 Rejab 1413 to set accounting standards) is responsible for adopting public sector accounting standards in Morocco. The CNC has not developed the International Public Sector Accounting Standards (IPSAS) as public sector accounting standards but may further develop activities in this respect. The OEC participates in the CNC activities via its representatives in this organization (three out of seven).

Refer to paragraph 42 ; accrual-basis IPSAS standards adopted by the CNC are those that were in effect in December 2008. Since then, no adoption of new standards have been made knowing that the "general treasury of the kingdom" is a board member of the IPSASB.

There is no planned timeline for the adoption of IPSAS.

OEC Morocco continues to engage with the Government to promote the adoption of IPSAS. Also engaging with local government level. OEC-Morocco supports its members by increasing awareness of IPSAS via virtual training offerings, website and magazine publications, electronic newsletter...

French version of IPSASB Handbook is provided to members and announcements made to public via website and e-newsletter.

#	Start Date	Actions	Completion Date	Responsibility	Resources
<i>Participating in the Incorporation of IPSAS in National Public Sector Accounting Standards</i>					
42.	June 2007	Raise awareness on the necessity of IPSAS implementation, Note: The CNC, with the help of French consultants, began working on the adoption of accrual-basis IPSAS by testing implementation in an experimental site which is "the General Treasury of Morocco." After this testing phase, the CNC approved the new General Treasury of Morocco's State Chart of Accounts, which was prepared by a multidisciplinary committee and was in conformity with the prior version of the IPSAS (December 2008). No other public sector entities apply IPSAS.	Completed	National Council Chairman	National Council Members
43.	Since 2008	Pursue monitoring of the International Public Sector Accounting Standards' activities (IPSASB) and support the adoption of IPSASB for all public sector entities of Morocco.	Continuous	National Council Chairman	National Council Members and Other Foreign and Local Consultants

Maintaining Ongoing Processes					
44.	Since 2008	Continue to ensure the conformity of OEC's activities relating to the national public sector with the SMO 5 requirements. Review the Action Plan to ensure planned activities are effectively implemented and update the Action Plan for future activities, as necessary.	Continuous	Regional and National Standardization Committees Chairman	Regional and National Standardization Committees Members

Action Plan Subject: SMO 6–Investigation and Discipline
Action Plan Objective: Improve and strengthen disciplinary mechanisms

Background:					
Responsibility for investigating and disciplining (I&D) OEC members for misconduct and breach of the rules is shared between the National and Regional Councils of the OEC in accordance with Law 15-89. The I&D mechanisms established by the OEC have been further strengthened by the professional accountancy organization in accordance with SMO 6 requirements.					
#	Start Date	Actions	Completion Date	Responsibility	Resources
<i>Reinforcement of Investigation & Disciplinary Mechanisms in Accordance with SMO 6 Requirements</i>					
45.	November 2008	The OEC Regional Councils (Rabat Nord and Casa Sud) drafted a statement about the requirements of SMO 6, regarding the composition of the disciplinary council.	Completed	Regional Council regional and Ethics and Professional Duties Chairmen	Regional Ethics and Professional Duties Committee members
46.	June 2009	OEC to raise the Regional Councils' awareness on the SMO 6 requirements and the new obligations to be respected in the composition of the Disciplinary Committee of the Regional Councils.	Completed	National Council Chairman and Ethics and Professional Duties National Committee Chairman	Ethics and Professional Duties National Committee members
47.	December 2009	Send the new statement incorporating all the requirements of SMO 6 to all Regional Councils.	Completed	National Council Chairman and Ethics and Professional Duties National Committee Chairman	Regional Council Chairmen
<i>Maintaining Ongoing Convergence Process</i>					
48.	February 2010	Periodic review of the OEC I&D mechanisms to ensure they incorporate the requirements of SMO 6 and function as intended.	Continuous	Ethics and Professional Duties National Committee Chairman	Ethics and Professional Duties National Committee

49.	Continuous	Review the Action Plan to ensure planned activities are effectively implemented and update the Action Plan for future activities, as necessary. OEC plans to continue the monitoring of the standard compliance.	Continuous	Regional and National Standardization Committees Chairmen	Regional and National Standardization Committees
Review of OEC's Compliance Information					
50.	Since 2019 (Last 5 years)	In the last five years, OEC registered 27 complaints : 2015 : 9 2019 : 2 2020 : 7 2021 : 3 2022 : 3 2023 : 3	Annual	Regional and National Councils	Regional and National Councils Standardization Committee

Main Requirements of SMO 6

Requirements	Y	N	Partially	Comments
Scope of the system 1. A system of investigation, discipline and appeals exists for the accountancy profession. The system is operational.	X			The Regional Councils and the National Council exercise the ordinal disciplinary power for any professional misconduct or contravention of the legislative and regulatory provisions to which the expert is subject in the exercise of his profession, in particular:
2. Information about the types of misconduct which may bring about investigative actions is publicly available.	X			- Violation of professional rules, breach of the rules of honor, probity and dignity in the exercise of the profession, as laid down in particular in the code of professional duties, - Non-compliance with laws and regulations applicable to chartered accountants in the exercise of their profession,

				- Infringement of the rules or regulations laid down by the Order, or of the consideration or respect due to the Order's institutions (law no. 15-89, art. 66).
<p>Initiation of Proceedings</p> <p>3. Both a “complaints-based” and an “information-based” approach are adopted.</p>	X			<p>It is more of a complaints-based approach that is adopted. However, depending on the circumstances, an information-based approach can be undertaken if necessary. But for now, it hasn't been the case.</p> <p>Complaints may be lodged either :</p> <ul style="list-style-type: none"> • by the Chairman of the Regional Council, • at the request of two-thirds of the members of the Regional Council and the Chairman of the National Council, • by the administration, a trade union or an association of chartered accountants.
<p>4. Link with the results of QA reviews has been established.</p>	X			<p>If an audit firm's QA review reveals infringements such as “Non-compliance with laws and regulations applicable to chartered accountants in the exercise of their profession” during the conduct of its missions, then the firm could be targeted by an investigative and disciplinary action.</p>
<p>Investigative process</p> <p>5. A committee or similar body exists for performing investigations.</p>	X			<p>The investigative process is carried out by the national council and the regional council where the firm/member operates. A complaint investigation committee is set up, it's made up of members of the Regional or National Council.</p>
<p>6. Members of a committee are independent of the subject of the investigation and other related parties.</p>	X			
<p>Disciplinary process</p> <p>7. A separate disciplinary committee/entity exists to make disciplinary decisions on referrals from the investigation committee.</p>		X		<p>The disciplinary sanctions/decisions are taken by the whole National Council or Regional Council.</p>

8. Members of the committee/entity include professional accountants as well as non-accountants.	X			The law 15-89 creating the OEC allows for one member of the public administration (Ministry of Finance) as well as accountants
9. The tribunal exhibits independence of the subject of the investigation and other related parties.	X			The Moroccan legal system is independent.
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.	X			The ranges and penalties expected: <ul style="list-style-type: none"> • Warning, • Reprimand • Suspension for a maximum of six months, • Prohibition from standing for election to the Order for a period of ten years. • Striking off the roll
Rights of representation and appeal 11. A third appeals body exists which is separate from both the disciplinary committee and investigative committee.			X	Disciplinary decisions handed down by the Regional or National Council may be referred to the competent judiciary court for annulment on grounds of abuse of authority (law no. 15-89, art.77). But such body isn't related to OEC, it's an independent external judiciary body. When the Council considers that the facts reported in the complaint can in no way constitute a fault attributable to the chartered accountant or the company, it informs the complainant, by means of a reasoned decision, that there are no grounds for disciplinary action. In this case, the complainant may appeal to the National Council (law n° 15-89, art.86) against this decision.
Administrative Processes 12. Timeframe targets for disposal of all cases are set.	X			

13. Tracking mechanisms to monitor progress in investigation and discipline and related procedures are established.	X			
14. Records of investigations and disciplinary processes are established.	X			
Public Interest Considerations				
15. Activities are supported to ensure that the public is aware that an investigative and disciplinary system exists in the jurisdiction.			X	
16. A process for the independent review of complaints on which there was no monitor-up is established.		X		
17. The results of the investigative and disciplinary proceedings are made available to the public.		X		
Liaison with Outside Bodies				
18. There is an appropriate process for liaison with outside bodies on possible involvement in serious crimes and offences.	X			The administration is informed of all disciplinary decisions (law no. 15-89, art. 98). Moreover, the deregistration decisions are published in the Bulletin Officiel (Official Journal) and in a newspaper carrying legal notices in the locality where the person concerned exercised his profession
Regular review of implementation and effectiveness				
19. Regular review of implementation and effectiveness of the system are performed and corrective actions are implemented.	X			

Action Plan Subject: SMO 7–International Financial Reporting Standards and Other Pronouncements issued by the IASB
Action Plan Objective: Establish and maintain process for ongoing adoption and implementation of IFRS

Background:

The CNC (established by decree in 1989, and mandated by law 15-89 of January 1993 enacted by Dahir 1-92-139 of 14 Rejab 1413 to set accounting standards) and Moroccan Stock Exchange Commission (MSEC) share responsibility for the adoption of private sector accounting standards in the country. At this stage, the process of adoption and implementation of International Financial Reporting Standards (IFRS) has just started although in practice most of listed entities use IFRS in the preparation of their financial statements. The OEC has developed activities to further promote the adoption of the IFRS and IFRS for SMEs in the country and to assist their members with their implementation.

OEC is working on the Conversion Project which began in 2014 with the World Bank to converge with IFRS and IFRS for SMEs. Phase 1 Diagnosis was completed in 2017. The 2nd Phase started in 2018. OEC Morocco has done its part in this matter and is expecting the final validation partners (Economy and Finance Ministry through the CNC) General Tax Administration, General Treasury) which can take years to get. OEC is still waiting for the CNC comments on Exposure Drafts on the IFRS for SMEs.

To keep members informed on IFRS developments, OEC keeps on providing updates through pre-qualification and organizing professional development trainings.

#	Start Date	Actions	Completion Date	Responsibility	Resources
<i>Assisting in the Adoption and Implementation of IFRS</i>					
51.	June 2007	Raise awareness of the CNC and local authority in charge of overseeing the stock exchange's (MSEC) of the necessity to adopt IFRS at least for public interest entities.	Completed	National Council Chairman	National Council Members and Chairman
52.	April 2008	Via OEC elected and non-elected members involved in CNC, assist the CNC and MSEC in organizing and starting an ongoing convergence process between the national accounting standards and IFRS.	Completed	National Council Chairman	Elected and Non-Elected Members Involved in CNC Activities
53.	October 2008	Work in cooperation with the CNC to draft new national accounting standards incorporating the IFRS. Note: at this stage, CNC has created two committees: - The first committee will be in charge of the preparation of the draft law relating to consolidation (this committee includes three elected members from OEC);	Completed	National Council Chairman	Elected and Non-Elected Members Involved in CNC Activities

		<p>- The second one is in charge of the convergence process between the national accounting standards and the IFRS (this committee includes four members from the OEC).</p> <p>This project involves the use of IFRS for all groups in the Casablanca Stock Exchange as well as entities of public interest (EIP) and leaves the choice to the others groups either to adopt IFRS or local standards.</p>	<p>Completed</p> <p>In Progress</p>		
54.	Since 2014	Raise the CNC's awareness of the necessity to answer the exposure drafts relating to the IFRS for the small and medium entities.	Completed	Regional and National Standardization Committees Chairman	Regional and National Standardization Committees Members
55.	Since 2014	<p>Provide information about the last developments of IFRS to OEC members through pre-qualification of the chartered accountants and professional training.</p> <p>OEC includes IFRS in its CPD (Continuing Professional Development) Programs.</p>	Ongoing	Regional and National Standardization Committees Chairman	Members of an Ad-hoc Committee established by OEC
56.	Mars 2024	New IFRS-based accounting standards project led by the CNC, with OEC members as key contributors	Ongoing	Regional and National Standardization Committees Chairman	Members of an Ad-hoc Committee established by OEC
Maintaining Ongoing Processes					
57.	Since 2014	<p>Keep on promoting the development of an ongoing convergence process with IFRS. This is still in progress. The process should include translation, review of IASB new and amended standards, issue of the exposure drafts, adoption of the new and revised standards and assisting with their implementation</p> <p>Raise the awareness and provide training about the new and revised standards.</p>	Ongoing	Regional and National Standardization Committees Chairman	Members of an Ad-hoc Committee established by OEC

58.	Since 2014	Review the Action Plan to ensure planned activities are effectively implemented and update the Action Plan for future activities, as necessary.	Continuous	Regional and National Standardization Committees Chairman	Regional and National Standardization Committees Members
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