

BACKGROUND NOTE ON ACTION PLANS

SMO Action Plans are developed by IFAC Members and Associates to demonstrate fulfillment of IFAC Statements of Membership Obligations (SMOs). SMOs require IFAC Members and Associates to support the adoption¹ and implementation² of international standards and other pronouncements issued by independent standard-setting boards under the auspices of IFAC as well as by the International Accounting Standards Board (IASB); and to establish a Quality Assurance (QA) review and Investigation and Disciplinary (I&D) systems.

IFAC Members and Associates conduct a self-assessment against the requirements of SMOs and identify areas where improvements are needed. Based on the results of the assessment, Members and Associates develop an SMO Action Plan to (a) demonstrate how they fulfill the requirements of the SMOs and (b) where some requirements are not yet addressed, to present plans towards their fulfillment.

SMO Action Plans are designed to be ever-green documents that provide a comprehensive description of the accountancy profession and its legislative and regulatory environment in the jurisdiction as well as the actions undertaken by IFAC Members or Associates to support adoption and implementation of international standards and best practices.

Regular updates of the SMO Action Plans are required as part of the IFAC Member Compliance Program.

Use of Information

Please refer to the [Disclaimer](#) published on the Compliance Program website.

ACTION PLAN

IFAC Member:	Institute of Cost and Management Accountants of Bangladesh (ICMAB)
Approved by Governing Body:	Executive Director
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¹ *Adoption* is concerned with the decision that international standards are appropriate for use in specific national financial reporting environments and with the actions necessary to effect those decisions, including incorporation into national requirements or requiring the use of international standards through law. Adoption may include a process to review draft international standards, translation, public exposure of proposed standards, approval, incorporation into national requirements as necessary, and promulgation of final standards, and, where applicable, a convergence process to eliminate or minimize differences between international and national standards.

² *Implementation* may include a process to build awareness of the adopted standards, provide relevant education and training, develop or disseminate implementation guidance and any other activities that promote proper understanding and use of the standards in practice.

Action Plan Subject: SMO 1–Quality Assurance
Action Plan Objective: Development and ensure a system of quality assurance for those members performing cost audit.

Background:

The members of the Institute of Cost and Management Accountants of Bangladesh (ICMAB) are not eligible to perform financial audit as per local regulation. The members of ICMAB are authorized to conduct cost audit under section 220 of Companies Act 1994. For performing cost audit a practicing certificate shall be required from the ICMAB. None will be allowed to perform cost audit without the practicing certificate. For maintenance of cost accounts and conducting cost audit, the use of cost accounting record rules and cost audit report rules issued by ICMAB are mandatory.

The cost audit services provided by the members of ICMAB are monitored by the Cost Audit and Professional Service Cell Committee of the Institute. In discharging its functions, the committee may:

- (i) Evaluate and review the quality of work and services provided by the members of the Institute.
- (ii) Prepare the cost audit record rules for different new sectors.
- (iii) Prepare the evaluation criteria to evaluate cost audit services provided by the members of the Institute.
- (iv) Make recommendations to the council to arrange seminars/conferences/workshop on cost audit and other related matters to improve professional competence, quality to work, etc. of the members of the Institute.

Reviewing is a continuous process and the committee does reviews at regular intervals which may extend from three to six months. To conduct cost audit, cost auditors need standards and guidelines that will bring harmony in practices. Considering this importance, the Institute has already formed Cost Accounting and Financial Reporting Standards Committee. The Committee has already finalized and adopted 10 standards that came into effect from January 01, 2015. These standards are published in book form available at <http://www.icmab.org.bd/index.php/2014-10-26-10-09-15/professional-standard>.

The Institute has organized Cost Audit Workshop on different sectors like Pharmaceutical sector, Textile sector and Fertilizer sector in order to update the members. During November 2016, the institute has arranged workshops on cost audit in Chemical Fertilizer, Real Estate, Pharmaceuticals and Power Sectors. English versions of Cost Accounting Record Rules of different sectors have already been submitted to the Ministry of Commerce, Government of the People's Republic of Bangladesh for approval.

ICMAB has a quality assessment review process for its members. This process is mandatory for cost auditors. However, the review process will be more stringent in coming years due to the Financial Reporting Act 2015 which proposes independent division to carry out such review process under the name 'Audit Practice Review Division'. ICMAB is in the process of reviewing and revising its Quality Assessment review process guideline in line with the requirements of SMO 1 (revised 2012) and Financial Reporting Act 2015. As the FRA is yet to start its operation, ICMAB has not finalized its review. FRA requires separate registration of audit firms and it refers to specific penalty provisions which demands review of existing QA system. It is believed that the review will bring some changes in existing QA system in 2017.

#	Start Date	Actions	Completion Date	Responsibility	Resource
<i>Improvements to Process</i>					
1.	Ongoing	Reviewing and modifying QA review process guideline in line with SMO 1 and Financial Reporting Act 2015. Existing QA System may require some modifications, due to some particular requirements in FRA and subsequent penalty provisions, which is yet to be finalized.	Ongoing	Cost Accounting & Financial Reporting Standards Committee	Executive Director
2.	August 2011	Preparation of cost accounting standards and make mandatory use of cost accounting standards for maintenance of cost accounts and conducting cost audit. During December, 2016 ICMAB issues second volume of its Bangladesh Cost Accounting Standards comprising 13 standards along with 10 published in first volume. Such endeavor will continue.	Ongoing	Cost Accounting & Financial Reporting Standards Committee	Secretary, CAFRS Committee
3.	October 2011	Invite experts to provide technical advice or opinion for the purpose of assessing the quality of work and services provided by the members of the Institute. From time to time, ICMAB invites local and foreign experts to give talks in seminars, workshops and symposium to develop the capacity of its members. In November 2016, two Indian experts joined in a workshop organized by ICMAB.	Ongoing	Council	Executive Director
4.	December 2011	Organization of appropriate program to improve the professional competence and qualifications, quality of work and services of its members. This initiative is ongoing and ICMAB put special focus on quality control while it offers CDP programs for its members.	Ongoing	Council	Executive Director
<i>Maintaining Ongoing Process</i>					
5.	August 2011	Preparation and finalization of Bangladesh Cost Accounting Standards.	Ongoing	Cost Accounting & Financial Reporting Standards Committee	Secretary, CAFRS Committee
6.	October 2011	Preparation of cost accounting record rules for new sectors. New sectors are identified through market assessment.	Ongoing	Cost Audit and Professional Service Cell Committee	Secretary, Cost Audit Committee

#	Start Date	Actions	Completion Date	Responsibility	Resource
7.	June 2012	Submission of English version of Cost Accounting Record Rules for different sectors on which Bangla version is already published in official gazette. These sectors are (1) Sugar Industry (2) Chemical Fertilizer Industry (3) Textile Industry (4) Jute Industry (5) Pharmaceutical Industry (6) Fuel and Power Industry (7) Edible Oil and Vegetable Oil Industry. This is yet to be passed due to the submission of new CMA Act which is under consideration.	Ongoing	Cost Audit and Professional Service Cell Committee	Secretary, Cost Audit Committee
8.	January 2012	Organization of Cost Audit Workshop on different new sectors like Cosmetics & Toiletries, Leather, etc. However, institute offers need based workshop in new sectors on regular basis.	Ongoing	Cost Audit and Professional Service Cell Committee	Secretary, Cost Audit Committee
9.	November 2013	Both English and Bangla version of cost audit report rules on seven (7) new sectors have been prepared and submitted with the Ministry of Commerce, GoB for gazette notification. These new sectors are (1) Cement Industry (2) Electricity Industry (3) Steel and Engineering Corporation (4) Cosmetics and Toiletries Industry (5) Paper and Pulp Industry (6) Ceramic Industry (7) Real Estate and Construction Companies. This is yet to be passed due to the submission of new CMA Act which is under consideration.	Ongoing	Cost Audit and Professional Service Cell Committee	Secretary, Cost Audit Committee
<i>Review of ICMAB's Compliance Information</i>					
10.	Ongoing	Perform periodic review of ICMAB's SMO Action Plan and update sections relevant to SMO 1 as necessary. Once updated, inform IFAC Compliance staff about the updates for the compliance staff to republish updated information.	Ongoing	Executive Director	Executive Director

Self-Assessment Tool for SMO 1

Requirements	Y	N	Partially	Comments
<p>Scope of the System</p> <p>1. At a minimum, mandatory QA reviews are required for all audits of financial statements.</p>			√	ICMAB by regulation cannot conduct financial audit. It can conduct cost audit. QA reviews are not mandatory for such audit, these are selectively done.
<p>Quality Control Standards and Other Quality Control Guidance</p> <p>2. Firms are required to implement a system of quality control in accordance with the quality control standards.</p>	√			
<p>3. Most up to date versions of ISQC 1 and other relevant ISAs are adopted as the quality control standards.</p>			√	ISAs are not applicable for cost audit.
<p>4. Member Body assists firms in understanding the objectives of quality control and in implementing and maintaining appropriate systems of quality control.</p>	√			
<p>Review Cycle</p> <p>5. A cycle-based, risk-based, or a mixed approach for selecting firms for QA review is used.</p>	√			Cycle – based.
<p>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).</p>	√			

Requirements	Y	N	Partially	Comments
QA Review Team				
7. Independence of the QA Team is assessed and documented.	√			
8. QA Team possesses appropriate levels of expertise.	√			Sufficient care is deployed to confirm required skill sets.
Reporting				
9. Documentation of evidence supporting the quality control review report is required.	√			
10. A written report is issued upon conclusion of the QA review and provided to the firm/partner reviewed.	√			
Corrective and Disciplinary Actions				
11. Reviewed firms/partners are required to make timely adjustments to meet recommendations from the review report.	√			
12. QA review system is linked to the Investigation and Discipline system.			√	Only if QA review is done on disciplinary ground, otherwise they are independent.
Consideration of Public Oversight				
13. The body responsible for QA reviews cooperates with its oversight body and shares information on the functioning of the QA review system, as needed.	√			

Requirements	Y	N	Partially	Comments
<p>Regular Review of Implementation and Effectiveness</p> <p>14. Regular reviews of implementation and effectiveness of the system are performed.</p>			√	It is not done on regular basis, rather on demand/requirement basis.

Action Plan Subject: SMO 2–International Education Standards for Professional Accountants and Other Pronouncements Issued by the IAESB
Action Plan Objective: Ensure that all IES requirements for ICMAB’s CMA certified members remain in compliance with SMO 2.

Background:

The education scheme for the student members of ICMAB starts from the entry criteria which is equivalent to other professional bodies. From July 2015, ICMAB offers different entry routes depending on the varying level of academic achievements. Candidates who passed twelve classes are required to follow Intermediate Entry Route (IER), graduated candidates follow Graduate Entry Route (GER) and candidates with other professional qualifications will follow Professional Entry Route (PER) which is subject to the approval of the council of the institute. Candidates are not required to sit for any entry test for admission; however, they are required to fulfill the minimum entry criteria as set by the institute from time to time.

ICMAB revises its course curriculum every five to six years to align it with International Education Standard (IESs). ICMAB has revised its curriculum from July 2015 to align with the IES. However, the institute has decided to continue the old syllabus for another two years to ease the transition of old students from old syllabus to new syllabus. The Institute revises its curriculum to prepare the Institute’s members for not only the position of Chief Financial Officers of an organization but for the ultimate position of Chief Executive Officer if they are associated with some Industrial or Commercial organizations and for the position of auditors as well as management consultants if they are in public practice. The present curriculum of the Institute consists of 20 subjects stretched in five levels and one internship and research program at the end which is given below.

Knowledge Level (Level 1)

- IE01 – Principles of Accounting
- IE02 – Principles of Business and Economics
- IE 03 – Business Communications

Business Level (Level 2)

- GE01 – Fundamentals of Financial Accounting
- GE02 – Fundamentals of Management Accounting
- GE03 – Fundamentals of Business Mathematics
- GE04 – Fundamentals of Business Economics
- GE05 – Fundamentals of Ethics, Corporate Governance & Business Law

Management Level (Level 4)

- R2 – Taxation
- E2- Enterprise Management
- P2 – Performance Management
- F2– Financial Management

Operational Level (Level 3)

- R1 – Legal Environment of Business
- E1- Enterprise Operations
- P1 – Performance Operations
- F1 – Financial Operations

Strategic Level (Level 5)

- R3 – Financial, Cost and Management Audit
- E3 - Enterprise Strategy
- P3 – Performance Strategy
- F3– Financial Strategy

Practical Experience:

A student is required to undergo an intensive practical training in any reputed industrial or commercial organization for 3 months in order to gather practical experience in the field of accounts, finance, commerce, fixation of price and auditing. The Internship is required to be completed after passing management or strategic level of CMA qualification. The students are required to complete their practical training under a senior member of the Institute.

Besides, in order to become an associate member of the Institute qualified CMAs are required to complete 3 years of practical experience, while fellow membership is offered to those who has at least 5 years post associate ship experience in responsible position and fulfilling other professional requirements. These requirements are mandatory. IES has been incorporated in IPD requirements which is duly checked and endorsed by ICMAB. Practical experience requirements used by ICMAB for awarding membership are in line with the international standards.

Continuing Professional Development:

The Institute always offers training to update the knowledge of its members on a continuous basis by arranging various program including CPDs. The professional development activities of the Institute have been further accelerated by the introduction of SMO 2 of IFAC. At present members are required to complete minimum 20 hours of CPD credit in a year mandatorily. In selecting CDP topics and arranging CDP, ICMAB takes proper care to IFAC requirements. Very recently, ICMAB issued a letter addressing to its members calling for CPD topics. Lot of members responded with their chosen topics which helped ICMAB to understand the market demands and offer CPD topics in line with the market demands.

Liaison with Local Universities:

The ICMAB has a process of mapping and aligning the curriculum of local universities with that of ICMAB to offer exemptions from some foundation level papers to cater good students to CMA education. For the purpose, ICMAB organizes different awareness programs at different universities. Even, the ICMAB organizes an open seminar every session at its own auditorium where anybody may join to know about CMA degree and profession.

#	Start Date	Actions	Completion Date	Responsibility	Resource
<i>Improvements to Process</i>					
1.	March 2014	Dialogue starts with CIMA UK to take their technical support to revise ICMAB Syllabus compatible with them and CIMA agreed to share their 2010 professional curriculum which ICMAB has revised considering local requirements. It has been completed; however, full conversion will take place from July 2017. ICMAB continues old syllabus along with the new revised syllabus.	June 2015	Syllabus Review Committee	Deputy Director (Education)
2.	July 2015	ICMAB has adopted new syllabus keeping the old syllabus for ongoing students for two more years which will be over on June 2017.	Ongoing	Syllabus Review Committee	Deputy Director (Education)

#	Start Date	Actions	Completion Date	Responsibility	Resource
<i>Maintaining Ongoing Progress</i>					
3.	Ongoing	Continue to support implementation of the international education requirements with regards to ICMAB's pre-qualification and CPD programs.	Ongoing	Seminar and Conference Committee	Secretary, Seminar & Conference Committee
4.	Ongoing	Monitoring of standard setting activities of the International Education Standards Board and updating the Action plan for further activities where necessary. ICMAB participates in the international standard setting process by reviewing and responding to exposure drafts issued by the IAESB.	Ongoing	Council	Executive Director
5.	Ongoing	Reviewing the syllabus for possible improvements in line with IES requirements.	Ongoing	Syllabus Review Committee	Deputy Director (Education)
6.	Ongoing	Maintaining liaison with universities to keep their curriculum updated through a process whereby the graduates of those approved universities receive more exemptions from ICMAB papers.	Ongoing	Syllabus Review Committee	Deputy Director (Education)
<i>Review of ICMAB's Compliance Information</i>					
7.	Ongoing	Perform periodic review of ICMAB's SMO Action Plan and update the response as necessary. Once updated will inform IFAC compliance staff about the updates in order for the compliance staff to republish updated information.	Ongoing	Council	President, ICMAB

Action Plan Subject: SMO 3–International Standards and Other Pronouncements Issued by the IAASB
Action Plan Objective: Support the adoption and implementation of IAASB standards, guidance and other pronouncement in Bangladesh.

Background:					
<p>Bangladesh Standards on Auditing (BSAs) are developed by the Institute of Chartered Accountants of Bangladesh (ICAB) based on the updates of IAASB. ICMAB has no responsibility with regards to setting standards on Auditing. However, ICMAB always put inputs by responding to exposure drafts issued by ICAB in this regard. The Institute arranges several CPD programs on different BSAs to make the members aware about the changes to that particular BSA which is an ongoing process. In addition, ICMAB participates in the International standard-setting process by reviewing and responding to exposure drafts issued by the IAASB.</p> <p>The members of ICMAB perform cost audit in Bangladesh. ICMAB is developing cost accounting standards on its own based on technical expertise drawn from internal resources, practicing cost accountants, academia, industry representatives and regulators. While preparing these rich documents, ICMAB follows due process as accepted internationally like drafting standards, arranging workshops, publishing exposure drafts, accommodating comments to exposure drafts, finalizing the standards etc. ICMAB also meets with its practicing members and industry counterpart to ensure the relevancy of the standards and rules. These standards will help the members of the Institute to keep cost accounting record and to perform Cost Audit.</p>					
#	Start Date	Actions	Completion Date	Responsibility	Resource
<i>Improvement to Process</i>					
1.	January 2011	Monitor pronouncements and updates provided by IAASB and develop update briefings for members.	Ongoing	Council	Executive Director
2.	January 2012	Review education, examination and CPD programs to ensure sufficient ongoing coverage of IAASB updates, pronouncements and developments.	Ongoing	Council	Executive Director
3.	Ongoing	Provide IAASB pronouncements to members through the website of ICMAB.	Ongoing	Council	Executive Director
<i>Maintaining Ongoing Progress</i>					
4.	January 2012	Formation of a committee to review and respond to IAASB/IFAC requests for feedback (on proposals including exposure draft).	December 2012	Council	Executive Director
5.	December 2011	Incorporate updates in IAASB pronouncements in ICMAB's Continuing Professional Development programs.	Ongoing	Council	Executive Director

#	Start Date	Actions	Completion Date	Responsibility	Resource
6.	Ongoing	Review and update action plan for future activities as and when necessary.	Ongoing	Council	Executive Director
7.	Ongoing	Including different ISAs/BSAs in ICMAB syllabus of relevant subjects of Audit and Assurance.	Ongoing	Education Committee	Executive Director
<i>Review of ICMAB's Compliance Information</i>					
8.	Ongoing	Perform periodic review of ICMAB's SMO Action Plan and update the response as necessary. Once updated will inform IFAC compliance staff about the updates in order to republish the updated information by the compliance staff.	Ongoing	Council	Executive Director, ICMAB

Action Plan Subject: SMO 4–IESBA Code of Ethics for Professional Accountants
Action Plan Objective: Ensure alignment of ICMAB Code of Ethics with IESBA code of Ethics.

Background:					
<p>ICMAB developed its own Code of Ethics for the members of the Institute. The Institute conducted a number of Seminars, CPD programs for building awareness on maintaining the Code of Ethics by its members. The provisions of the IFAC Code of Ethics & other pronouncements developed by IESBA are generally notified to the member. The 2008 IESBA Code of Ethics was adopted initially and disseminated accordingly to the members of ICMAB. The Institute has already updated its Code of Ethics in accordance with IESBA revised requirements (2012 version) and distributed the same to all members of the Institute. A CPD program titled 'Professional Ethics and Integrity- A Management Accountant's Perspective' has already been arranged on the updated ICMAB Code of Ethics in order to make the members aware about different changes and new inclusions. ICMAB Code of Ethics is available in the website of ICMAB. It may be noted here that the ICMAB code of Ethics are prepared in line with that of IESBA Code of Ethics and where departure was required for legal reasons, ICMAB does not apply less stringent standards than those stated in the IESBA Code of Ethics.</p>					
#	Start Date	Actions	Completion Date	Responsibility	Resource
<i>Improvements To Process</i>					
1.	July 2011	Update Code of Ethics in accordance with IESBA requirements and make it available to all members of the Institute. Last review of the Code of Ethics was conducted during July-December 2012. However, ICMAB will review the latest IESBA code for adoption, including the NOCLAR standard.	Ongoing	Ordinance, Regulation & Corporate Laws Committee	Secretary, Ordinance, Regulation & Corporate Laws Committee
2.	October 2011	Organization of CPD programs to make aware of the members about ethical requirements including areas of potential conflict and challenges.	Ongoing	Seminar and Conference Committee	Secretary, Seminar & Conference Committee
3.	January 2012	Create awareness among the general public and business community that members of ICMAB are operating under an obligatory code of ethics.	Ongoing	Council	Executive Director
<i>Maintaining Ongoing Process</i>					
4.	October 2011	Publication of ICMAB Code of Ethics at the website of ICMAB for members, students and general public.	December 2012	Council	Executive Director

#	Start Date	Actions	Completion Date	Responsibility	Resource
5.	November 2011	Review ICMAB's continuing development program and determine how to include courses on the revised IESBA Code requirements.	Ongoing	Council	Executive Director
6.	December 2011	Review the Ethics Education Toolkit issued by the IAESB containing useful guidance relating to ethics education. It has not been concluded as the ICMAB is yet to finalize it due to change of its syllabus.	Ongoing	Education Committee	Deputy Director (Education)
7.	Ongoing	Monitor and review new and amended standards from the IESBA, in an ongoing manner, so that they can be incorporated into ICMAB's Code on a timely basis.	Ongoing	Ordinance, Regulation & Corporate Laws Committee	Secretary, Ordinance, Regulation & Corporate Laws Committee
8.	Ongoing	Adapt and communicate revision of the Code of Ethics. Details and exact timescales for the process to be established as work with IFAC proceeds. ICMAB participates in the international standard setting process by reviewing and responding to exposure drafts issued by IESBA.	Ongoing	Ordinance, Regulation & Corporate Laws Committee	Secretary, Ordinance, Regulation & Corporate Laws Committee
<i>Review of ICMAB's Compliance Information</i>					
9.	Ongoing	Review of ICMAB response to the SMO Action Plan and update sections relevant to SMO 4 as necessary. Once updated inform IFAC compliance staff about the updates in order to republish updated information by the compliance staff.	Ongoing	Council	Executive Director

Action Plan Subject: SMO 5–International Public Sector Accounting Standards and Other Pronouncements Issued by the IPSASB
Action Plan Objective: Promoting adoption of IPSAS and effectively support the work of IPSASB.

Background:					
<p>ICMAB is always trying to implement International Public Sector Accounting Standards in Bangladesh. But its role is very limited in this area. International Public Sector Accounting Standards (IPSASs) and other pronouncements issued by the International Public Sector Accounting Standards Board (IPSASB) are notified to the members. We use our best endeavors to facilitate formulating Accounting Standards for public sector on the basis of IPSAS keeping in view the Bangladesh economic conditions. The Institute has taken some initiatives and already discussed with relevant Government authorities, especially with the Comptroller and Auditor General Office in Bangladesh. ICMAB will continue to use its best endeavors to encourage Government to adopt IPSAS. ICMAB has signed a MoU with Chartered Institute of Public Finance and Accountancy (CIPFA) UK to promote public finance management in the country. CIPFA is committed to provide technical guidance to ICMAB in this regard.</p>					
#	Start Date	Actions	Completion Date	Responsibility	Resource
<i>Improvements to Process</i>					
1.	July 2014	ICMAB signed MoU with the Chartered Institute of Public Finance and Accountancy (CIPFA) UK to strengthen accountability and transparency in the area of public finance and its management. CIPFA will provide technical support in this regard. ICMAB is in the process of preparing plan on how the capacity of CIPFA could be used to strengthen the capacity of ICMAB members. However, under the MoU, few of ICMAB members who are working in public sector are getting CIPFA membership after fulfilling their requirements. It is expected that very soon both CIPFA and ICMAB will launch joint program targeting public finance management of the country.	Ongoing	Council	Executive Director
2.	January 2010	ICMAB will continue to provide necessary technical inputs where requested by Government of Bangladesh in order to support the process of adoption and implementation of IPSAS in Bangladesh. As it is the issue lies with the Government, it is very difficult to mention particular time line for such adoption and implementation.	Ongoing	Council	Executive Director
3.	June 2011	Review the requirements of the IPSAS.	October 2011	Cost Accounting & Financial Reporting Standards Committee	Executive Director

#	Start Date	Actions	Completion Date	Responsibility	Resource
4.	July 2011	Study how other IFAC members have supported implementation of IPSAS in their countries.	November 2011	Cost Accounting & Financial Reporting Standards Committee	Executive Director
5.	August 2011	Seek the technical cooperation of other IFAC member countries that have successfully supported implementation of IPSASs.	December 2011	Cost Accounting & Financial Reporting Standards Committee	Executive Director
<i>Maintaining Ongoing Processes</i>					
6.	Ongoing	Continue to identify opportunities to further assist in implementation of IPSASs. This includes review of existing activities and preparation of the Action Plan for future activities where necessary.	Ongoing	Cost Accounting & Financial Reporting Standards Committee	Executive Director
7.	Ongoing	Review of ICMAB syllabus to include relevant IPSAS.	Ongoing	Education Committee	Executive Director
8.	Ongoing	Meeting regulators at regular interval to find ways to support them on tax, accounting and reporting related issues.	Ongoing	Council	Executive Director
9.	Ongoing	Arranging CPD programs for the members to update their knowledge on IPSAS.	Ongoing	Seminar and Conference Committee	Executive Director
<i>Review of ICMAB's Compliance Information</i>					
10.	Ongoing	Perform periodic review of ICMAB's SMO Action Plan and update sections relevant to SMO 5 as necessary. Once updated inform IFAC compliance staff about the updates in order to republish updated information by the compliance staff.	Ongoing	Council	Executive Director

Action Plan Subject: SMO 6–Investigation and Discipline
Action Plan Objective: Maintain the highest standard of professionalism to meet the Public interest in line with IFAC requirement.

Background:

Under the Cost and Management Accountants Ordinance, 1977 and Cost and Management Accountants Regulations, 1980, misconduct proceedings can be initiated against a member of the Institute as well as against a student. A complaint in this regard could be lodged with the Secretary of the Institute by any member of the Institute or any aggrieved person. The Complaints so lodged are taken up to two forums. Firstly, the Disciplinary Committee, which is a fact finding body, conducts inquiry and forwards its findings in the form of a report to the Council. The Council, which is an elected body of members, on receiving the report of the Disciplinary Committee, decides the case after providing reasonable opportunity of hearing to the member/student against whom the investigation proceeding have been initiated. It is important to note that ICMAB adopts both ‘Complaints-based’ and ‘Information-based’ approach to deal with investigation and discipline related issues.

If the Council finds that a formal complaint has been proved, it shall record its finding to that effect and shall afford to the member, either personally or through a counselor solicitor or another member of the Institute, an opportunity of being heard before orders are passed against him on the case and may thereafter make any of the following orders, namely:

- (i) reprimand the member; or
- (ii) suspend the member from membership for such period not exceeding five years, as the Council may think fit; or
- (iii) exclude the member from membership.

As ICMAB members are not involved with statutory financial audit, numbers of such investigation are very few. Under ‘information based’ approach, one such investigation was made in 2010 which resulted suspension of membership. The particular member was called for hearings and he was absent repeatedly which resulted suspension. The institute takes initiative to inform the public regarding disciplinary action against a member or firm, if such decision holds public interest. To strengthen the Investigation & Discipline, the Institute has already introduced Code of Ethics in line with IFAC requirements. The Institute has updated its Regulations which have been submitted to the Ministry of Commerce, Government of the People’s Republic of Bangladesh for approval. Cost Audit Manual prepared by ICMAB is a complete resource in this case. ICMAB has uploaded its ‘Professional Ethics and Code of Conduct’ guidelines for easy reference to all which is available at http://www.icmab.org.bd/images/stories/Professional_Ethics_/Code-of-ethics.pdf.

ICMAB system is made and adopted in regard to 2012 SMO 6 by IFAC.

#	Start Date	Actions	Completion Date	Responsibility	Resource
<i>Improvements to Process</i>					
1.	Ongoing	Periodic review and amendments made to laws and regulations in accordance with the laws prevailing in the country & SMO 6.	Ongoing	Disciplinary Committee	Secretary, Disciplinary Committee
2.	November 2011	Host guidance on website on how to lodge complaints.	Ongoing	Executive Director	System Analyst
3.	January 2008	ICMAB plays active role in finalizing Financial Reporting Act (FRA) in Bangladesh under which an independent body will ensure public oversight in the area of accounting and reporting. Financial Reporting Council (FRC) under FRA may impose penalty in the form of imprisonment which will not exceed 5 years or cash penalty of not more than BDT 500,000 or both if it finds that any professional accountant violates the rules as set by such act. Thus, FRA ensures regulatory power of investigation along with that of professional accounting organizations.	November, 2015	Council	Executive Director
<i>Maintaining Ongoing Process</i>					
4.	Ongoing	Periodical discussion & review of the Investigation & Discipline requirements covered by ICMAB Ordinance & Professional Ethics & Code of Conducts. ICMAB adopts the 2012 version of SMO 6 with regard to I&D.	Ongoing	Disciplinary Committee	Secretary, Disciplinary Committee
5.	November 2011	Provides the new members with the ICMAB Ordinance, 1977 & Regulations, 1980 & the handbook of Professional Ethics & Code of Conduct.	Ongoing	Executive Director	Deputy Director (Administration)
6.	Ongoing	Publish news about the Investigation Committee & its decision in the Institute's journals.	Ongoing	Executive Director	Deputy Director (Publication)
<i>Review of ICMAB's Compliance Information</i>					
7.	Ongoing	Perform periodic review of ICMAB SMO Action Plan and update as necessary. Once updated inform IFAC compliance staff about the updates in order for the compliance staff to republish updated information.	Ongoing	Council	Executive Director

Self-Assessment Table for 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.	√			Disciplinary committee of ICMAB ensures the compliance with the help of council, the apex body of ICMAB.
2. Information about the types of misconduct which may bring about investigative actions is publicly available.	√			Because members and affiliated firms are required to adhere to those as membership obligations.
Initiation of Proceedings				
3. Both a “complaints-based” and an “information-based” approach are adopted.	√			
4. Link with the results of QA reviews has been established.			√	Because QA reviews primarily targets affiliated firms and I&D primarily targets individual members at ICMAB.
Investigative Process				
5. A committee or similar body exists for performing investigations.	√			It is ad-hoc in nature formed by disciplinary committee considering the nature of investigation.
6. Members of a committee are independent of the subject of the investigation and other related parties.	√			Special care taken to take independent members for fair judgment while investigation is in process.
Disciplinary Process				
7. A separate disciplinary committee/entity exists to make disciplinary decisions on referrals from the investigation committee.	√			Disciplinary Committee.

Requirements	Y	N	Partially	Comments
8. Members of the committee/entity include professional accountants as well as non-accountants.	√			Even the committee have a member who is a government nominee and not a member of ICMAB.
9. The tribunal exhibits independence of the subject of the investigation and other related parties.	√			
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.	√			Council is highest authority for sanctions where there are 4 members nominated by the government who are not members of ICMAB.
Rights of Representation and Appeal 11. A third appeals body exists which is separate from both the disciplinary committee and investigative committee.			√	There is no such independent body; however, such appeal is a process embedded with investigation and discipline.
Administrative Processes 12. Timeframe targets for disposal of all cases are set.		√		It is decided on case by case base.
13. Tracking mechanisms to monitor progress in investigation and discipline and related procedures are established.			√	The secretary of the institute follow up the progress.
14. Records of investigations and disciplinary processes are established.	√			Council is responsible for such record.

Requirements	Y	N	Partially	Comments
Public Interest Considerations				
15. Activities are supported to ensure that the public is aware that an investigative and disciplinary system exists in the jurisdiction.	√			
16. A process for the independent review of complaints on which there was no follow-up is established.	√			
17. The results of the investigative and disciplinary proceedings are made available to the public.			√	In cases where public at large become the direct interest group.
Liaison with Outside Bodies				
18. There is an appropriate process for liaison with outside bodies on possible involvement in serious crimes and offences.		√		
Regular Review of Implementation and Effectiveness				
19. Regular review of implementation and effectiveness of the system are performed and corrective actions are implemented.	√			

Action Plan Subject: SMO 7–International Financial Reporting Standards and Other Pronouncements issued by the IASB
Action Plan Objective: Promote convergence with IFRS as well as implementation of IFRS in Bangladesh.

Background:					
<p>Bangladesh Financial Reporting Standards (BFRSs) are developed by the Institute of Chartered Accountants of Bangladesh (ICAB). These accounting standards are prepared based on IFRSs issued by IASB. ICMAB has no direct responsibility with regards to setting accounting standards as per local regulation. There was no formal process of supporting ICAB in setting such standard due to no such scope was open in due process of setting standard by the ICAB. From now, the job of standard setting will be the responsibility of different body under new Financial Reporting Act 2015 where ICMAB can put its effort in standard setting process. However, ICMAB assists in the implementation of IFRSs in Bangladesh by providing education and training to its member & students through its CPD programs and curriculum. The Institute notifies its members regarding all the drafts issued by the International Accounting Standards Board (IASB). The Institute continues to use its best endeavors to incorporate the requirements of IFRS in the national accounting requirements. ICMAB, as a non-audit (Financial) body, aims to ensure highest awareness of the IFRS to its members and students particularly those working in government, public and multinational companies/firms.</p> <p>The Institute included IFRSs in the syllabus of ICMAB in order to make the students aware about different IFRSs. 6 Members of ICMAB are trained 'Train the Trainers' course on IFRS/IAS in UK.</p>					
#	Start Date	Actions	Completion Date	Responsibility	Resource
<i>Improvements to Process</i>					
1.	Ongoing	The Institute as part of its strategy for full conversion of IFRS to its members & students are persuading through seminar, conference, workshop, etc.	Ongoing	Training & Workshop Committee	Secretary, Training & Workshop Committee
<i>Maintaining Ongoing Process</i>					
2.	Ongoing	Conduct CPD programs from time to time on different IAS/IRFS to make the members aware about them.	Ongoing	Seminar & Conference Committee	Executive Director
3.	Ongoing	Notifies its members all the drafts issued by the International Accounting Standards Board (IASB). ICMAB issues notices officially to its members requesting their comments on any Exposure Drafts issued by IASB. It is the members' prerogative to review and respond to the exposure drafts.	Ongoing	Executive Director	Executive Director

#	Start Date	Actions	Completion Date	Responsibility	Resource
4.	Ongoing	Continue the implementation of the pre-qualification and CPD programs that incorporate financial reporting courses based on IFRS and elaborate IASB guidance, interpretations and other pronouncements.	Ongoing	Council	Executive Director
<i>Review of ICMAB's Compliance Information</i>					
5.	Ongoing	Perform annual review of the responses of ICMAB SMO Action plan and update sections relevant to SMO 7 as necessary. Once updated, it is informed to IFAC compliance staff about the updates in order to republish updated information by the compliance staff.	Annually	Council	Executive Director