

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:	Ordre des Experts Comptables et Financiers de Madagascar (OECFM)
Approved by Governing Body:	OECFM Council
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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.

GLOSSARY

AFD	Agence Française de Développement
CPD	Continuing Professional Development
CSC	Higher Council of the Accounts Department
CSOEC	Conseil Supérieur de l'Ordre des Experts Comptables Français Direction du Développement et des Partenariats Internationaux
DDPI	(DDPI)
FIDEF	Fédération International des Experts-Comptables Francophones
FMFP	Fonds Malgache de Formation Professionnelle
I&D	Investigation and Disciplinary
IAASB	International Auditing and Assurance Standards Board
IAS	International Accounting Standards
IASB	International Accounting Standards Board
IES	International Education Standards
IESBA	International Ethics Standards Board for Accountants
IFAC	International Federation of Accountants
IFRS	International Financial Reporting Standards
IPSAS	International Public Sector Accounting Standards
IPSASB	International Public Sector Accounting Standards Board
ISA	International Standard on Auditing
ISQC 1	International Standard on Quality Control 1
OECFM	Ordre des Experts Comptables et Financiers de Madagascar
PCG	Plan Comptable Général
PAFA	Pan African Federation of Accountants
QA	Quality Assurance
ROSC	Report on the Observance of Standards and Codes
SMO	Statement of Membership Obligations
SMP	Small and Medium Practices
XBRL	Extended Reporting Business Language

General Actions

#	Start Date	Actions	Completion Date	Responsibility	Resource
Background					
<p>The Action Plan of the OECFM was designed in 2008 with the prospect at the time of funding for its implementation by the World Bank, as a logical continuation of the 2008 ROSC Accountancy & Audit assessment. According to the predictions of that time, non-permanent actions of the Plan should be completed in 2014. Unfortunately, though the first Action Plan was submitted in early 2009 to the World Bank as part of the study to fund the broader "ROSC Country Action Plan", a political crisis led this Institution to apply the provisions of its Operational Policy OP 7.30 ("Relations with government in fact") in March 2009, which restricts the borrowing opportunities for the country.</p> <p>OECFM's actions continues to be performed through volunteering, requiring significant individual commitments while fellow volunteers working on the matter have to constantly face a harsher business environment in their own firms.</p> <p>Important improvements occurred, including holding many final certification exams, increase in OECFM's membership, hiring of an Executive Secretary, implementation of a framework of QA system, continual strengthening of the profession through trainings and various exchanges and partnerships with several other local or international organizations, among other achievements. OECFM has also strengthened its visibility and is recognized as an indispensable organization with whom to collaborate on topics that affect financial information. The future will be marked by the formalization of updates and improvement on procedures and guidance related to QA system, I&D... within the OECFM bylaws, continuation of actions, the achievement of punctual actions and their transformation into continuous actions.</p>					
Steering committee, partnership, common matters					
1	Continuing	Ensure permanent coordination of actions and monitoring their implementation	Continuing	Secrétaire Exécutif	Comité de pilotage
1,1	Continuing	Protect the member in compliance of the OECFM missions as "Profession to Serve the Economy"	Continuing	OECFM President	OECFM Council
1,2	06/09/15	Create an organism of cooperation, mutuality and of retirement for the benefit of members and their families.	September 2021	OECFM President	OECFM Council / Commission Juridique et Fiscale / Commission Communication
2	Continuing	Promote the partnership with local and international bodies (FIDEF,	Continuing	Secrétaire	OECFM Council

#	Start Date	Actions	Completion Date	Responsibility	Resource
		PAFA, ...) to strengthen the accounting profession		Executif	
3	Continuing	Ensure a continuous updating of the website OECFM.	Continuing	Secrétaire Exécutif	Commission Communication
4	Continuing	Annually update the "Tableau de l'Ordre" (The Body Chart)	Continuing	Secrétaire Exécutif	Commission Tableaux et Professions – SMO 6 Working Group
5	01/07/15	Update the By-Laws ("Règlements internes")	Juin 2020	OECFM Président	Commission Juridique & Fiscale
6	Continuing	Improve the visibility of the Body to the public	Continuing	Secrétaire Exécutif	Commission communication
7	Continuing	Maintain the involvement of OECFM within activities related to business law reform, tax code update, anti-money laundering regulations.	Continuing	Secrétaire Exécutif	Commission Juridique & Fiscale
8	Continuing	Maintain the fight against the illegal practice of the profession. Launch and follow-up media actions as well as procedures in Court of pursuits against people in illegal practice of the Profession.	Continuing	Secrétaire Exécutif	Commission Tableaux et Professions – SMO 6 Working Group - Commission Juridique & Fiscale

Action Plan Subject: SMO 1 - Quality Assurance
Action Plan Objective: Develop and implement a quality assurance review program on the basis of the requirements set out in SMO 1 and set requirement for firms to establish and maintain quality control in accordance with ISQC 1 requirements

#	Start Date	Actions	Completion Date	Responsibility	Resource
Background					
<p>In accordance with Article 70 of Ordinance No. 92-047 of November 5, 1992 (and subsequent amendments), OECFM is responsible for the establishment of a QA review system.</p> <p>OECFM has been able to pursue its actions related to QA implementation through funding from European Union via the entity PROCOM. Members have then benefited from trainings on ISQC1 and external quality control in December 2017, January 2018 and June 2018 from the PAOs in France. 13 firms have been subject of a first quality control in February 2018 and June 2018. Another 13 members will undergo reviews in Q4 2019 and the first cycle is anticipated to be completed by 2021 for all OECFM members.</p> <p>The organization has now 13 confirmed quality controllers but a challenge is to recruit more volunteers to conduct the reviews.</p> <p>Specific procedures related to QA are ongoing to be formalized, adopted by the Council and included within bylaws.</p>					
Implementation of ISQC 1					
1	31/08/13	Establish a working group "SMO 1 - Quality Control "	31/12/15	OECFM Technical Vice President	Commission Normes
1.1	Continuing	Maintain and continue the planned actions of "SMO1- Working group"	Continuing	OECFM Technical Vice President	Commission Normes
2	Continuing	<p>Raise members' awareness of the external Quality Control (seminar animated by a specialized trainer, circular).</p> <p>Training/seminar organized before Annual General Assembly each year. For example, on 28 June 2019, during the Annual General Assembly, with the circular, the commission standards remained the basics related to ISA 300 Planification and ISA 240 Fraud</p>	Annually	Secrétaire Exécutif	SMO 1 - Working Group

#	Start Date	Actions	Completion Date	Responsibility	Resource
3	Continuing	Disseminate to OECFM members updated IFAC standards by way of a "toolbox" or / and continuous update of the website and periodical circular.	Continuing	Secrétaire Exécutif	SMO 1 - Working Group
4	Continuing	Maintain a "Cellule de Veille" monitoring group with the tasks of (i) collecting feedback on the difficulties encountered by members in the practical application of ISQC1 in their practice, (ii) issuing advice notices, (iii) initiating training seminars	Continuing	Secrétaire Exécutif	Conseil de l'Ordre et SMO 1 - Working Group
Implementation of a System of Quality Assurance					
5	01/11/13	Call volunteers to pilot test the draft QA system (including QA guidance) with the assistance of audit firms accustomed to this type of review (each volunteer playing in turn the function of controller and of controlee but the controller of a practice having to be controlled only by another practice of the panel it does not control). Training of the volunteers conducting the External Quality Control will be given beforehand.	12/12/14	OECFM Technical Vice President	SMO 1 - Working Group
6	01/08/14	Finalize and test, with the 10 volunteer cabinets, a draft system of QA according to SMO 1 requirements "a-g" based on the results of action #5 above. This system (System of External Quality Control) will include a procedure of nomination of reviewers and a procedure of updating.	22/06/18	Secrétaire Exécutif OECFM Technical Vice President	SMO 1 - Working Group
6,1	01/01/17	Render mandatory to all members, the compliant SMO 1 "a-g" QA system and update accordingly bylaws. 13 firms have been subject of a first quality control in February 2018 and June 2018. Another 13 members will undergo reviews planned in Q4 2019. and the first cycle is anticipated to be completed by 2021 for all OECFM members.	2021	OECFM Président	SMO 1 - Working Group & Commission Juridique & Fiscale
7	Continuing	Regularly raise the members' awareness of the positive effect of the System of External Quality control through information meetings that will include testimony from those who experienced this system. The goal is to lead them to name the firms that would ensure their fellow External Quality Controller	Continuing	OECFM Président	SMO 1 - Working Group & SMO 2 - Working Group

#	Start Date	Actions	Completion Date	Responsibility	Resource
Maintaining Ongoing Processes					
8	Continuing	Continue to establish and maintain Action Plans to ensure the System of External Quality Control incorporates all the requirements of SMO 1. This includes review of the implementation of the Action Plan to date and preparation of the Action Plan for future	Continuing	Secrétaire Executif	OECFM Council
Review of OECFM's Compliance Information					
9	Continuing	Perform periodic review and update sections relevant to SMO 1 as necessary.	Continuing	Secrétaire Executif	OECFM Council

Main Requirements of 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>	X			The responses to all questions related to SMO 1 are based on the quality control performed in February 2018 and June 2018.
<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>	X			
<p>3. Most up to date versions of ISQC 1 and other relevant ISAs are adopted as the</p>	X			

Requirements	Y	N	Partially	Comments
quality control standards.				
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	The adopted approach of selection which is a mixed approach is ongoing to be formalized. QA reviews were launched in 2018 with support of French profession and at same time, the World Bank conducted QA reviews in some firms that were selected as part of the World Bank funding. As such, 2 systems then existed and firms that underwent reviews from the World Bank are requesting more time to implement necessary changes prior to undergoing a review by OECFM.
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	
QA Review Team 7. Independence of the QA Team is assessed and documented.	X			Recruitment of QA reviewers (which is done on a voluntarily basis and unpaid) is a challenge
8. QA Team possesses appropriate levels of expertise.	X			
Reporting 9. Documentation of evidence supporting the	X			

Requirements	Y	N	Partially	Comments
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.	X			
Corrective and disciplinary actions				
11. Reviewed firms/partners are required to make timely adjustments to meet recommendations from the review report.	X			
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 the functioning of the QA review system, as needed.				Not Applicable – audit oversight body does not exist. However, a new law 2018-043 related to anti-money laundering and terrorism (article 31) stipulates the implementation and the nominating by the Government, a monitoring and control authority to the “EPNFD (entreprise et profession non financière désignée)” that the Chartered accountants are included.
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
Action Plan Objective: Ensure that OECFM’s professional accountancy education program is regularly reviewed and updated to include courses on new and revised international standards and that it incorporates all elements required by the International Education Standards

#	Start Date	Actions	Completion Date	Responsibility	Resource
<p>Background</p> <p>The basic text relating to training and quality assurance is Article 70 of Ordinance No. 92-047. This basic text is supplemented subsequently by:</p> <ul style="list-style-type: none"> - Decree 92 960 Article 24 on the access to the profession curriculum. - Training rule - The Code of Ethics. <p>The update of this curriculum to make it compliant with the standards IES is in draft texts awaiting publication by the public authority. The institute has prepared a law that would be the CPA programming as carried out by the French PAOs (with changes necessary for the Madagascar context) mandatory for CPA candidates. The government received this proposal in 1998 but it continues to await approval. Every year the OECFM must request an exception when granting the CPA degree. As such, the OECFM works to apply the IES but are legally constrained.</p> <p>The OECFM organizes professional training seminars for its members. Professional accountants are required to maintain their technical skills and to keep the level of current practices to maintain the quality of their services.</p> <p>Current initial professional development (IPD) and continuing professional development (CPD) requirements for professional accountants are outlined in Decree No.92-960 of November 11, 1992. IPD requirements stipulate that candidates for the title of “Expert comptable et financier” (Chartered Accountant) must hold a diploma from an OECFM-accredited higher education institution; complete an entrance exam on accounting, law, taxation, audit, and management; complete a three years’ practical experience with an OECFM-member accounting or auditing firm; complete a written final exam on audit; and then present and defend a final thesis and dissertation. By law, only 20 new CPAs are admitted to OECFM each year.</p> <p>In accordance with the Decree, OECFM determines education and experience requirements subject to approval by the Ministry of Education. At that time, Universities and the National Institute of Accounting Sciences and Business Administration delivered the IPD programs.</p> <p>OECFM has initiated various processes to facilitate convergence with IES at the national level. For example, after finding that some education providers were not meeting high-quality benchmarks, the OECFM begun an accreditation process for universities and educational institutions such that only individuals with a diploma—a prerequisite to begin an internship—from accredited institutions will be permitted to sit for the entrance exam to become a student at OECFM. OECFM, the training commission, calls for interest and proposal to the education institution to begin the accreditation process. The training commission always referred to the reference program in 2008 to control and evaluate the institutions the following subject: the accreditation</p>					

#	Start Date	Actions	Completion Date	Responsibility	Resource
<p>delivered by the government; numbers of hours trained (in audit, accounting, laws, English language, ...), the quality of the trainer or professor; the details of cursus The Madagascar reference program was established in compliance with SMO2. As of October 2018, the OECFM has accredited five higher education institutions.</p> <p>IPD requirements also stipulate a professional internship of three years in a member accounting or audit firm of OECFM along with a presentation and defense of a thesis. As of June 2016, the training regulations adopted by the Council state the involvement of eight supervisors in charge of monitoring all candidates and confirming quality and competencies of candidates to OECFM. In September 2018, the institute signed MoUs with INSCAE to support candidates in writing their final thesis and the ISCAM to strengthen the institute's communications.</p> <p>The OECFM receives support from the French PAO by having representatives serve on the dissertation panel and preparing the written exam. The exam includes topics that a CPA would encounter in their professional work—e.g. accounting, audit, tax, and legislation.</p> <p>The institute's Education Board is working to compare national rules to the IES to identify any changes that might need to be made but face challenges as there is no French translation of the IES.</p> <p>Once a member of OECFM, individuals must fulfill 40 hours of CPD per year (120 over a three-year period) and submit return forms to monitor compliance. The institute offers training throughout the year to help members meet this requirement. In 2018, OECFM has collaborated with the Financial Intelligent Unit of Madagascar named SAMIFIN, in regards to anti-money laundering and the Tax Authority to hold trainings and conferences to enhance the quality of financial statements.</p>					
Implementation of mandatory continuing professional development (CPD) requirements					
10	July 2018	Reinforce the working group "SMO 2 - Training Commission continued professional" framed by the partner / sponsor for the development of a "CPD system and annual CPD programming processes" in accordance with SMO 2 and the requirements of IES 2 and 4.	July 2021	OECFM Président	OECFM Training Commission President
11	June 2017	Monitor training time submitted by each members (minimum time that is currently 120 hours in three years with at least 20 hours per year and 60 hours verifiable by IES 7).	Continuing	Secrétaire Exécutif OECFM President	SMO 2 - Working Group
12	Continuing	Organize training planned by other working groups on Quality Control (SMO1), the statements of the IAASB (SMO3), and the Code of Ethics (SMO 4).	Continuing	Secrétaire Exécutif	SMO 2 - Working Group

#	Start Date	Actions	Completion Date	Responsibility	Resource
13	31/12/13	Develop, establish and bring to the Council approval the CPD program. In 2019, training will be held on <ul style="list-style-type: none"> • 2018 Code of Ethics • ISQC 1, ISQM 1 • Anti-money laundering • Cybersecurity – support from FIDEF 	Continuing	Secrétaire Exécutif Commission President	SMO 2 - Working Group
14	January 2016	Strengthen the capacity of the SMO 2 working group members to maintain and update the system and training program and provide trainings in various items: commercial law, attribution of the Auditor legal, ISQC1, Full services, IFRS, IPSAS, numeric...	Continuing	Secrétaire Exécutif	SMO 2 - Working Group
15	01/01/16	Establish a permanent training in English with the primary goal of enhancing the understanding of oral and written English. Texts and tools in English of IFAC and IFRS-Foundation shall be used whenever possible during training.	Continuing	Secrétaire Exécutif	SMO 2 - Working Group
<i>Developing the academic training program and system</i>					
16	January 2016	Monitor the approval by the Government of the texts about the access procedure to the "Expert-Comptable et Financier" Diploma (DEX) revised in 2008.	Ongoing – subject to government procedures	OECFM President	SMO 2 - Working Group
17	Continuing	Support Superior Education Institutions to set up a referral program of at least four years from the bachelor's degree, leading to accounting profession or forming high-level executives in Accounting and Finance.	Accreditation ongoing; accounting	Secrétaire Exécutif	SMO 2 - Working Group
18	08/01/16	Organize annually the entrance competition to the Expert Comptable Practice Training	Continuing	Secrétaire Exécutif Commission President	SMO 2 - Working Group

#	Start Date	Actions	Completion Date	Responsibility	Resource
19	Continuing	Organize the annual examination for the admission of new Experts Comptables et Financiers	Continuing	Secrétaire Exécutif Commission President	SMO 2 - Working Group
20	Continuing	Monitor by training supervisors (8) the three-year controlled practical training of Trainee Experts Comptables. Those 8 training supervisors are nominated by the Council and are supported as such: <ul style="list-style-type: none"> • At the beginning of the practical training : to remind the provisions of the regulation of traineeship, to share the trainee to respect the independence, to collect the reporting • -during the three years : to monitor the practical experiences and to report • at the end : validate with the council of OECFM the effectiveness of the training 	Continuing	Secrétaire Exécutif Commission President	SMO 2 - Working Group
21	Continuing	Maintain the Commission treating equivalence between Malagasy and foreign diplomas	Continuing	Secrétaire Exécutif VP Administratif	SMO 2 - Working Group
Maintaining Ongoing Processes					
22	Continuing	Monitor OECFM comply with CPD requirements, ask every OECFM member each year about his CPD choices and actions: annual training submission (starting from January 2017)	Continuing	Secrétaire Exécutif Commission President	OECFM Council
23	Continuing	Monitor the new and amended standards issued by the IAESB to ensure they are incorporated in OECFM education requirements.	Continuing	Secrétaire Exécutif Commission President	OECFM Council
24	Continuing	Continue to establish and maintain Action Plans to support ongoing convergence with IES. This includes review of the implementation of the Action Plan to date and preparation of the Action Plan for future activities	Continuing	Secrétaire Exécutif	OECFM Council

#	Start Date	Actions	Completion Date	Responsibility	Resource
		as necessary.			
<i>Review of OECFM's Compliance Information</i>					
25	Continuing	Perform periodic review and update sections relevant to SMO 2 as necessary.	Continuing	Secrétaire Exécutif	OECFM Council

Action Plan Subject: SMO 3 - IAASB Pronouncements

Action Plan Objective: Ensuring that there is an ongoing convergence process with IAASB pronouncements and supporting implementation of the auditing standards

#	Start Date	Actions	Completion Date	Responsibility	Resource
Background					
<p>Unlimited companies and Limited Liability Companies (having over 50 employees or a turnover of EUR 25,000) are required to be audited according to the law 2003 036 of January 30, 2004 on commercial companies. Banks and insurance companies are required to have a co-auditor, whatever their legal form.</p> <p>Under Ordinance No. 92-047 of November 5, 1992 (and subsequent amendments), OECFM is responsible for defining applicable auditing standards. Since 2009, the OECFM has adopted all ISA as issued by the IAASB and has signed an agreement with IFAC to use the French translation of the 2018 ISA Handbook.</p> <p>Dissemination of standards to members is regularly done through circulars and trainings (for example, in 2018: the new audit report ISA700; in 2019 : remind to the basics in ISA300 planification and ISA240 Fraud). Additionally, the OECFM has received the authorization from the French accountancy organization to use the "Pack Petites Entreprises" or "Pack PE"—a set of tools enabling the auditor to facilitate the formalization of audit procedures and to document audit works for small companies, in conformity with the ISA.</p>					
Ongoing Adoption of IAASB Pronouncement					
26	Continuing	Implement measures strengthening relationships with IFAC and audit international organizations.	Continuing	Secrétaire Exécutif	Conseil de l'Ordre & all the Working Groups
27	31/08/13	Reinforce the working group "SMO 3 - IAASB Convergence "	31/12/15	OECFM Président	SMO 3 - Working Group
28	Continuing	Bring the OECFM to adopt translated IAASB pronouncements	Continuing	Secrétaire Exécutif	SMO 3 - Working Group
29	Continuing	Prepare manuals for specific aspects of legal engagements	Continuing	Secrétaire Exécutif	SMO 3 - Working Group

#	Start Date	Actions	Completion Date	Responsibility	Resource
30	Continuing	Disseminate updated ISAs and if available translated ISAs to members	Continuing	Secrétaire Exécutif	SMO 3 - Working Group
<i>Ongoing Translation Activities of New Drafts and Standards not yet Translated in French</i>					
31	31/08/13	Establish the working group "SMO 3 - IAASB Translation"	31/12/15	OECFM Président	SMO 3 - Working Group / Professional translator
32	Continue	Ensure the continuing translation of new drafts and standards not yet translated into French (NDNETF), complying with the IFAC Translation Policy.	Continuing	Secrétaire Exécutif	SMO 3 - Working Group
33	Continue	Conduct a review of existing French translations	Continuing	Secrétaire Exécutif	SMO 3 - Working Group
<i>Maintaining Ongoing Processes</i>					
34	Continue	Establish and maintain Action Plans to support ongoing processes with IAASB pronouncements. This include to participate to the PAFA Forum or FIDEF related to IAASB, to contribute to the exposure drafts of IAASB	Continuing	Secrétaire Exécutif	OECFM Council
<i>Review of OECFM's Compliance Information</i>					
35	Continue	Perform periodic review and update sections relevant to SMO 3 as necessary.	Continuing	Secrétaire Exécutif	OECFM Council

Action Plan Subject: SMO 4-IESBA Code of Ethics
Action Plan Objective: Ensuring that OECFM's revised code of Ethics is in line with the requirements of the new IESBA Code of Ethics and ensure that appropriate implementation actions have been taken to ensure OECFM's members are properly educated about the new concepts in the ethical requirements

#	Start Date	Actions	Completion Date	Responsibility	Resource
Background					
<p>OECFM is responsible for the adoption of ethical standards in accordance with Ordinance No. 92-047 of November 5, 1992 (and subsequent amendments). Professional accountants are required to adhere to the prescribed Code of Ethics in accordance with Decree No. 92-960 of November 11, 1992. OECFM has adopted the 2018 IESBA Code of Ethics for application in June 2019. The new 2018 code were published to the members of OECFM on April 11,2018. In September 2018, OECFM reports that its Ethics Commission presented the 2018 IESBA Code to the General Assembly for information and adoption. The 2018 IESBA Code was then adopted for application in June 2019. In preparation of the effective date, the Ethics Commission and the Council are planning to offer trainings to members on the new ethical Code. Thus far, the institute has shared the resources and videos on the IESBA website with members as a first step.</p>					
Implementation of the IESBA Code of Ethics					
36	28/07/09	Create the working group "SMO 4 - IESBA Code of Ethics"	Completed	OECFM Technical Vice President	Volunteer members
37	28/07/09	Obtain OECFM adoption of IESBA Code of Ethics	Completed	OECFM Technical Vice President	SMO 4 - Working Group
38	Continuing	<p>Train members on the IESBA updated Code. The IESBA Code is included in mandatory training for trainees and Member.</p> <p>2 main steps:</p> <ul style="list-style-type: none"> - Establish a Questionnaire/survey to the members in January 2019. The purpose is to collect the items that would interest the members and to know the different issues related to ethics and deontology 	June 2019	President of Commission	SMO 4 - Working Group & SMO 2 - Working Group

#	Start Date	Actions	Completion Date	Responsibility	Resource
		- Organize workshop to the new 2018 code in June 2019			
39	January 2019	Train accredited institutions on the new 2018 code and propose seminars related to ethics to the students of those institutions	Continuing	President of Commission	SMO 4 - Working Group & SMO 2 - Working Group
40	Continuing	Establish and adopt additional requirements to the IESBA Code 2018	Continuing	President of Commission	SMO 4 - Working Group
Maintaining Ongoing Processes					
41	January 2019	Obtain subsequent French translations of new and amended pronouncements from the International Ethics Standards Board for Accountants (IESBA) and incorporate them into OECFM Ethical Code.	Continuing	President of Commission	OECFM Council
42	Continuing	Continue to establish and maintain Action Plans to support ongoing convergence with IESBA pronouncements. This includes review of the implementation of the Action Plan to date and preparation of the Action Plan for future activities	Continuing	President of Commission	OECFM Council
43	June 2018	Full services: after the training of trainers in June 2018, the following action plan were presented to the General meetings and approved :	June 2018	President of Commission	OECFM Council
43.1.	January 2019	Draw up the situation of Full Services in Madagascar by developing a questionnaire on Full Services and analysing regulatory texts. This was created after members realized that there are many assignments that could be performed by a Chartered accountant. Thus, the council approved to create an adhoc comity of Full services that is in charge to develop and to communicate to the members and to the publics those type of activities.	Dec 2019	President of Commission	OECFM Council
43.2	January 2019	Creation of an adhoc committee: this committee will include trainers who have received training from the external consultant, the team that has already started the study on full services in 2016 and other members. This	Dec 2019	President of Commission	OECFM Council

#	Start Date	Actions	Completion Date	Responsibility	Resource
		committee will work permanently on full services			
44	April 2019	Study on how to implement the rules about audit fees : <ul style="list-style-type: none"> - update of the guides on communication/marketing and fees - workshop and training 	December 2019	President of Commission	OECFM Council
<i>Review of OECFM's Compliance Information</i>					
45	Continue	Perform periodic review and update sections relevant to SMO 4 as necessary.	Continue	President of Commission	OECFM Council

Action Plan Subject: SMO 5 - International Public Sector Accounting Standards
Action Plan Objective: Use best endeavors to assist in the adoption and implementation of IPSASs in Madagascar

#	Start Date	Actions	Completion Date	Responsibility	Resource
Background					
<p>The Higher Council of Accounting (CSC) a structure of the Ministry of Finance has responsibility for setting accounting standards in the public sector. The President of the CSC is no longer a member of the OECFM since August 2010. IPSAS were adopted by the CSC with modifications in 2005. A member of the OECFM headed at this time the working group of the adoption of IPSAS. In 2006 was published a "Plan Comptable des Opérations Publiques" (POCP) which keeps the conceptual framework as well as the conventions, rules and principles of the "PCG 2005 cohérent IAS / IFRS" (see below SMO7 background) but with consideration of IPSAS 2004 provisions where they differ from IAS / IFRS. The PCOP is cash-basis accounting. However, there has been no publicly available information on IPSAS that have been implemented and OECFM due to lack of resources had difficulties to support the implementation of IPSAS. Nevertheless, OECFM will continue to use its best endeavors to raise the awareness of government to the benefits of IPSAS and the need for its adoption.</p>					
Contribution to the Development of IPSAS in Madagascar					
46	28/07/09	Constitute the working group "SMO 5 - IPSAS"	Completed	OECFM Technical Vice President	Volunteer members
47	01/08/15	Set up a task force with the Governmental accounting department responsible for local and national public sector accounting and a special OECFM committee to undertake an overall review of public sector accounting standards applied in Madagascar, comparing them to full accrual IPSASs.	31/07/16	OECFM Technical Vice President	SMO 5 - Working Group
48	01/02/16	Build capacity for implementation of IPSAS	Continuing	Secrétaire Exécutif	SMO 5 - Working Group
49	01/02/16	Strengthening technical and material support of the department in charge of national public agencies (EPN) and the public administrative institutions (EPA)	31/01/16	OECFM Président	SMO 5 - Working Group
50	02/01/16	Establish arrangements for compliance with current legislation by all EPN	31/01/17	OECFM Président	SMO 5 - Working Group

51	01/08/15	<p>Educate / train state officials and local government accounting on IPSASs</p> <ul style="list-style-type: none"> On September 03, 2019, the USAID contacted and presented to the OECFM the future projects that they will finance in the following topics: good governance and transparency to the collectivity territorial and to the public sector. <p>The council of OECFM intends to continue the discussion in order to finance the training to the members first and to train the official and local government at the second step.</p>	Continuing	Secrétaire Exécutif	SMO 5 - Working Group
52	01/08/15	Facilitating access to translations of the latest IPSASs	Continuing	Secrétaire Exécutif	SMO 5 - Working Group
Maintaining Ongoing Processes					
53	Continuing	Continue to identify opportunities to further assist in implementation of ISPASs.	Continuing	Secrétaire Executif	OECFM Council
54	Continuing	Continue to use 'best endeavors' by identifying opportunities to further assist in the adoption of the IPSAS. This includes review of the existing activities and updating action plans for the future activities where necessary	Continuing	Secrétaire Executif	OECFM Council
Review of OECFM's Compliance Information					
55	Continuing	Perform periodic review and update sections relevant to SMO 5 as necessary.	Continuing	Secrétaire Executif	OECFM Council

Action Plan Subject: SMO 6-Investigation and Discipline
Action Plan Objective: Ensure that OECFM's disciplinary mechanisms are designed to incorporate all requirements set out in SMO 6

#	Start Date	Actions	Completion Date	Responsibility	Resource
Background					
<p>OECFM is responsible for the establishment and administration of an investigative and disciplinary (I&D) system for its members in accordance with Ordinance No. 92-047 of November 5, 1992 (and subsequent amendments). The OECFM's I&D procedures are outlined in the institute's bylaws dated July 19, 2013. The institute has an Ethics & Discipline committee that will conduct investigations and report findings to the Disciplinary Chamber. The Disciplinary Chamber will issue any sanctions and members have the option of appealing. A representative from the government oversees the Disciplinary Chamber proceedings. The OECFM has indicated that its I&D procedures would benefit from further improvements to meet the SMO 6 requirements—for example, having non-accountants serve on the Disciplinary Chamber, formalizing the link with QA reviews, administrative processes, and public interest considerations such as publishing results and the how the public can bring a complaint. The OECFM is revising some articles within its bylaws to address and formalize some of these issues. It expects the new bylaws to be adopted in September 2019. OECFM is considering having the government representative sit on the Disciplinary Chamber instead of overseeing the proceeding to address one gap.</p>					
<i>Review of the Investigation and Disciplinary (I&D) system</i>					
56	28/07/09	Create the working group "SMO 6 - Investigation and Discipline"	Completed	OECFM President	Volunteer members
57	01/08/15	Establish a system (structure, procedures) on Investigation and Discipline complying with SMO 6 and the recommendations of World Bank ROSC study	31/07/16	OECFM President	SMO 6 - Working Group
58	01/08/15	Prepare draft amendments of texts on the profession and Bylaws in alignment with the new system	Dec 2020 Ongoing – subject to government procedures	OECFM President	SMO 6 - Working Group & Commission Juridique et Fiscale

59	01/08/16	Ensure continuous training of members on SMO 6 / Investigation and Discipline System and the final revised Bylaws and amendments to the revised texts on the Profession <ul style="list-style-type: none"> The Commission I&D and the commission Tax & Juridique planned to inform and train the members the referral procedures for the next mandate of Council 2019-2021 	Continuing	Secrétaire Exécutif	SMO 6 - Working Group & SMO 2 Working Group
60	01/08/16	Undertake accompaniment survey of the implementation. OECFM will undertake this survey to ensure the revised I&D system is properly implemented and functions as intended.	Continuing	Secrétaire Exécutif	SMO 6 - Working Group
61	01/08/16	Undertake survey on OECFM members' and the public's knowledge of the revised I&D rules.	Continuing	Secrétaire Exécutif	SMO 6 - Working Group
Maintaining Ongoing Processes					
62	Continue	Continue to maintain Action Plans to incorporate the new requirements of SMO 6 in OECFM Investigation & Discipline system. This includes review of the implementation of the Action Plan to date and preparation of the Action Plan for future activities as needed	Continuing	Secrétaire Exécutif	OECFM Council
Review of OECFM's Compliance Information					
63	Continue	Perform periodic review and update sections relevant to SMO 6 as necessary. Once updated inform IFAC Compliance staff about the modifications	Continuing	Secrétaire Exécutif	OECFM Council

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	X			The referral procedures were presented by the Tax & legal Committee (commission juridique et fiscal) and already validated by the Council in 2018/2019. The Council decided to suspend some firms and members

is operational.				and not to include them in the annual OECFM table because they did not respect and they did not comply with the rules of procedure in terms of involvement in the activities of OECFM. (no reasoned absence in annual general meetings, no training assistance, no payment of contributions)
2. Information about the types of misconduct which may bring about investigative actions is publicly available.	x			During the last general meeting dated on October 18,2019, the OECFM table presented only the regular and compliant members
Initiation of Proceedings				
3. Both a “complaints-based” and an “information-based” approach are adopted.	X			
4. Link with the results of QA reviews has been established.	x			During the last general meeting dated on October 18,2019, the OECFM table presented only the regular and compliant members
Investigative process				
5. A committee or similar body exists for performing investigations.	X			
6. Members of a committee are independent of the subject of the investigation and other related parties.	X			
Disciplinary process				
7. A separate disciplinary committee/entity exists to make disciplinary decisions on referrals from the investigation committee.	X			
8. Members of the committee/entity include			X	Only accounts are member of the disciplinary chamber. But

professional accountants as well as non-accountants.				the Government commissioner must attend the sessions of the disciplinary chamber.
9. The tribunal exhibits independence of the subject of the investigation and other related parties.	X			
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 referral procedures were presented by the Tax & legal Committee (commission juridique et fiscal) and already validated by the Council in 2018/2019. The Council decided to suspend some firms and members and not to include them in the annual OECFM table because they did not respect and they did not comply with the rules of procedure in terms of involvement in the activities of OECFM. (no reasoned absence in annual general meetings, no training assistance, no payment of contributions)
Rights of representation and appeal 11. A third appeals body exists which is separate from both the disciplinary committee and investigative committee.	X			
Administrative Processes 12. Timeframe targets for disposal of all cases are set.			X	Being addressed by the revisions to be passed in 2019
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 follow-up is established.	X			
17. The results of the investigative and disciplinary proceedings are made available to the public.			X	For further consideration – presently OECFM circulates results only within the institute
Liaison with Outside Bodies				
18. There is an appropriate process for liaison with outside bodies on possible involvement in serious crimes and offences.	X			
Regular review of implementation and effectiveness				
19. Regular review of implementation and effectiveness of the system are performed, and corrective actions are implemented.	X			OECFM has undertaken a recent review and is making changes to its bylaws to formalize I&D procedures

Action Plan Subject: SMO 7 –International Financial Reporting Standards
Action Plan Objective: Use best endeavors to continue assisting CSC with the implementation of IFRS and promoting ongoing convergence with IFRS

#	Start Date	Actions	Completion Date	Responsibility	Resource
Background					
<p>The Conseil Supérieur de la Comptabilité (CSC), which is based within the Ministry of Finance and Budget, is responsible for setting corporate accounting standards. Companies are required to prepare financial statements in accordance with the National Accounting Plan, Plan Comptable General (PCG) 2005, which is based on the 2004 version of IFRS. Banks and other financial institutions are required to apply the Plan Comptable des établissements de crédit (PCEC), while insurance companies must use Insurance Accounting Plan (PCAss) which are also based on the 2004 IFRS.</p> <p>Historically, the OECFM has provided training to members on the local standards given that there are penalties for non-compliance. However, in May 2018, the International Monetary Fund (IMF) requested that the financial statements of the Central Bank conform to the most recent version of the IFRS. The OECFM has been tasked with undertaking a study in collaboration with the CSC to determine the feasibility of adopting the most recent IFRS and—due to resource constraints—is seeking support for training on the most recent IFRS to support members that will be preparing financial statements for the Central Bank agencies. The institute will also share available resources that are translated into French on the IFRS.</p>					
Promoting On-going Convergence of Accounting Standards with IFRS and IFRS SME					
64	28/07/09	Create a working group "SMO 7 - Promoting the continuing convergence with IAS / IFRS" composed of local experts	Completed	OECFM Technical Vice President	Volunteer members
65	01/08/15	Contribute to the creation within the Ministry of a system which control application of existing accounting standards	31/07/2017	OECFM Président	SMO 7 - Working Group
66	Continuing	<p>Provide technical assistance to CSC in its efforts towards convergence with IFRSs standards, IFRS -SME, IFRS Taxonomy (XBRL)</p> <p>The OECFM's commission related to « accounting standrads » assists the CSC by discussion to Financial reporting. 5 members of OECFM are always called by CSC. The implementations of new laws in banking and Insurances were performed by 2 members of OECFM, CSC and approved</p>	Continuing	Secrétaire Exécutif	SMO 7 - Working Group

#	Start Date	Actions	Completion Date	Responsibility	Resource
		by the Financial Bank commission (CSBF).			
67	08/01/14	Contribute in the creation and implementation of the CSC "Cellule de veille" (Monitoring Unit) as well as the reorganization of the CSC	31/07/17	OECFM Président	SMO 7 - Working Group
68	09/01/13	Communicate to members the IFRS French version through here https://www.ifrs.org/issued-standards/ifrs-translations/#french Encourage members to subscribe to the IFRS-F website. A free subscription is available on the IFRS-F website for downloading certain documents including the French version of the IFRS-SME.	Continuing	Secrétaire Exécutif	SMO 7 - Working Group
69	01/08/15	Ensure the participation of OECFM / CSC representatives in the meetings and seminars organized by the IASB and in the public dissemination of reports and records relating to these seminars	Continuing	Secrétaire Exécutif	SMO 7 - Working Group
70	01/08/12	Monitor the implementation within the CSC of a system which monitor the risk on not achieving the goal of applicability of IFRS and IFRS-SME, brought by CGAs	Continuing	Secrétaire Exécutif	
71	01/08/15	Promote strengthening relation between CSC, IFAC and other international agencies working in the field of accounting and audit	Continuing	Secrétaire Exécutif	
72	01/08/15	Contribute to the reform actions of the Register of Commerce and Companies to improve the structure and system of receiving, detecting failure of declaration, archiving and easy availability of financial information	Continuing	Secrétaire Exécutif	SMO 7 - Working Group
73	01/01/15	Contribution in training and informing of preparers and users of financial information about the General Accounting Plan and / or IFRS and IFRS SME <ul style="list-style-type: none"> • OECFM is looking for funds within FMFP (Project financed by AFD as donors) to finance the IFRS training. The French institution (CSOEC and DDPI) accepted to provide Technical trainer. 	Continuing	Secrétaire Exécutif	SMO 7 - Working Group

#	Start Date	Actions	Completion Date	Responsibility	Resource
74	01/01/17	Contribution to the actions of "rebranding" the PCG 2005 and / or of studying name to give the full IFRSs and IFRS SME applied in Madagascar to highlight the ongoing convergence with international standards	31/07/18	OECFM Président	SMO 7 - Working Group
75	08/01/13	Contribute to the development of incentives to reward companies more transparency	31/07/14	OECFM Président	SMO 7 - Working Group
<i>Maintaining Ongoing Processes</i>					
76	Continuing	Continue to use best endeavors by identifying opportunities to further assist in the implementation of IFRS. This includes review of the existing activities and updating the Action Plan for future activities as necessary.	Continuing	Secrétaire Executif	OECFM Council
<i>Review of OECFM's Compliance Information</i>					
77	Continuing	Perform periodic review and update sections relevant to SMO 7 as necessary.	Continuing	Secrétaire Executif	OECFM Council