

## **BACKGROUND NOTE ON ACTION PLANS**

SMO Action Plans are developed by IFAC Members and Associates to demonstrate fulfillment of IFAC Statements of Membership Obligations (SMOs). SMOs require IFAC Members and Associates to support the adoption<sup>1</sup> and implementation<sup>2</sup> of international standards and other pronouncements issued by independent standard-setting boards under the auspices of IFAC as well as by the International Accounting Standards Board (IASB); and to establish a Quality Assurance (QA) review and Investigation and Disciplinary (I&D) systems.

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

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

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

### **Use of Information**

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

## **ACTION PLAN**

**IFAC Member/Associate:** Bahamas Institute of Chartered Accountants (BICA)

**Approved by Governing Body:** Council of the Bahamas Institute of Chartered Accountants

**Original Publish Date:** September 2010

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<sup>1</sup> *Adoption* is concerned with the decision that international standards are appropriate for use in specific national financial reporting environments and with the actions necessary to effect those decisions, including incorporation into national requirements or requiring the use of international standards through law. Adoption may include a process to review draft international standards, translation, public exposure of proposed standards, approval, incorporation into national requirements as necessary, and promulgation of final standards, and, where applicable, a convergence process to eliminate or minimize differences between international and national standards.

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

## **GLOSSARY**

<b>ACCA</b>	Association of Chartered Certified Accountants
<b>BICA</b>	Bahamas Institute of Chartered Accountants
<b>CPD</b>	Continuing Professional Development
<b>GOB</b>	Government of the Commonwealth of The Bahamas
<b>I&amp;D</b>	Investigation and Discipline
<b>IAASB</b>	International Auditing and Assurance Standards Board
<b>IAESB</b>	International Accounting Education Standards Board
<b>IAS</b>	International Accounting Standards
<b>IASB</b>	International Accounting Standards Board
<b>ICAC</b>	Institute of Chartered Accountants of the Caribbean
<b>IES</b>	International Education Standards
<b>IESBA</b>	International Ethics Standards Board for Accountants
<b>IFRS</b>	International Financial Reporting Standards
<b>IPSAS</b>	International Public Sector Accounting Standards
<b>IPSASB</b>	International Public Sector Accounting Standards Board
<b>ISA</b>	International Standards on Auditing
<b>ISQC</b>	International Standard on Quality Control
<b>QA</b>	Quality Assurance
<b>SMO</b>	Statement of Membership Obligation
<b>SMP</b>	Small and Medium Practices
<b>VAT</b>	Value Added Taxation

**Action Plan Subject:** Overview of The Bahamas Institute of Chartered Accountants (BICA)  
**Action Plan Objective:** This section provides: Background, Regulatory and Standard Setting Framework, Governance, Succession Planning, Strategy and Primary Objectives

### **General Background**

The Bahamas Institute of Chartered Accountants (BICA/The Institute) is the regulatory body of the accountancy profession in the Commonwealth of The Bahamas (The Bahamas). The Institute's membership is more than 499 with licensed practitioners representing over 77% or 386 of the membership. As provided for in the Bahamas Institute of Chartered Accountants Act, 2015 (the Act) and various enabling regulations, BICA is statutorily responsible for regulating the accountancy profession in The Bahamas. BICA registers both members and licensees. To qualify for membership to BICA, an applicant must have successfully completed a qualifying exam, as outlined by the Act. The Act empowers BICA to issue licenses, and forbids persons without licenses from holding themselves out as Public Accountants. To qualify as a licensee, an applicant must be a member of BICA and must give evidence that for a cumulative period of thirty-six months, he/she has been employed in a firm of public accountants, or with a public corporation, a department of government, or a private business, that has been approved by The Council as providing suitable training in accounting and/or auditing. Prior to October 2015, BICA was governed by the Public Accountants Act, 1991 and various enabling regulations. The Act was brought into force in October 2015 with The Bahamas Institute of Chartered Accountants (General, Disciplinary and Committee) Regulations, 2016 (The Regulations) being brought into force in February 2016.

### **Regulatory and Standard Setting Framework**

BICA is the regulator and standard setter for the accountancy profession in The Bahamas. As the regulatory body of the accountancy profession in The Bahamas, BICA sets professional and ethical requirements by which its members are governed. As a member of the International Federation of Accountants (IFAC) and the Institute of Chartered Accountants of the Caribbean (ICAC), BICA adopts the International Financial Reporting Standards (IFRS) as issued by the International Accounting Standards Board (IASB), without modifications, as the generally accepted accounting principles in The Bahamas. Additionally, BICA has adopted the International Accounting Standards (IAS) since its inception in 1973. The Institute has also adopted the use of International Standards on Auditing (ISA). The Institute is also responsible for educating its members and has incorporated the current changes of the International Education Standards (IES) as it relates to developing educational requirements for members. Special attention is given to the changes as indicated in IES 7. 'The Code' and its latest changes as noted by the International Ethics Standards Board for Accountants (IESBA) have also been adopted by BICA.

### **BICA's Governance Framework**

On the date of the coming into operation of the Act, the existing Council continued to serve until the Second Annual General Meeting; the First Vice President became the President Elect and the office of Second Vice President ceased. At the conclusion of the Second Annual General Meeting, in accordance with the Act, the Council was comprised of the President, President-Elect, Immediate Past President, and ten other Council members.

Council members. Subsequent holders of the office of President, President Elect and Past President will serve The Institute for a period of two years. At the Annual General Meeting in every year, one-third of the elected members, other than those whose tenure continues, as previously indicated above, who have been longest in office since their last election, or the number nearest to but not exceeding one-third, shall retire from office, and they may be re-elected or other members may be elected to fill their places. A retiring member of Council shall retain office until BICA has an established Secretariat with two (2) full-time staff members (Chief Executive Officer and Senior Administrator and Accountant) who support Council, committees and member services. It should be noted that The Institute also has a pool of part-time associates who are available to assist in The Secretariat when needed. These associates, although of a part-time status, have the experience of working with The Secretariat and are able to provide continuity as it relates to support for The Secretariat.

**Committees:**

The Committees of The Institute are chaired predominantly by Council members. These Committees are Executive, Nominating, Membership Public Practice, Legislative Reform, Technical, Investigations & Ethics, Disciplinary, Membership & Membership Services, Licensing, Public Practice, Continuing Professional Development, Events and Public Relations (CPD), Small & Medium Sized Practitioners (SMP), Professional Accountants in Business, Finance and Secretariat and Grand Bahama & Family Islands Committee. The IFAC, Practice Monitoring/Peer Review (now Public Practice) and Technical Committees were formed under the Council year 2012-2013, as The Institute recognized the importance of dedicating resources to strengthen and maintain its relationship with IFAC and address BICAs participation in IFACs Compliance Program. Additionally, with the introduction of a Value Added Tax (VAT) Regime on January 1<sup>st</sup>, 2015, as specific national priorities are initiated, BICA forms relevant committees to address matters.

The Institute conferred with the Legislative Reform arm of the Attorney General's Office to identify the best way to proceed with the incorporation of the amendments to the Act and its Regulations. The Institute was advised to repeal the former Public Accountants Act, 1991 and its Regulations, redraft and resubmit the Act, benchmarking it against other legislation in the region (specifically ICAC & IFAC member bodies) which allowed for the timely responsiveness to national, regional and international requirements. In this vein, the Legislative Reform Committee of BICA worked with the Law Reform Commission of the Attorney General's Office in order to complete this programme. On completion of the redrafting the Legislative Reform Committee and Council reviewed and also sought consultation from members and licensees prior to resubmitting the Act and its Regulations for approval. The Act was passed by Parliament in April 2015 and brought into force in October 2015.

The Act primarily is less prescriptive and rewrites the contents in a manner that shifted certain changes from requiring an act of Parliament, to consultation with the Minister of Finance, Council, members and licensees in order to enact changes. These items will be contained in the Rules and Regulations and not the Act itself. For example, under the Act, BICA will be able to respond in a timely manner regarding the adoption and implementation of international standards such as changes to IFACs SMOs, revising fees in accordance with changes in the economy and the demands of members and licensees, thereby not limiting BICA's resources to provide, grow and sustain The Secretariat, and not depend as heavily on part-time associates and volunteerism.

The Act includes but is not limited to the following:

- BICA's regulatory authority as a self-regulating body
- Requirements for membership and licensing
- Requirements for reinstatement of membership and licensing
- Requirements for Continuing Professional Development (CPD) for members and licensees, its enforcement and indications for noncompliance
- Investigations, disciplinary and appellate process (to be supported by the development of policies and procedures outlining disciplinary measures to be taken)
- Practice Monitoring/Peer Review and the adoption of International Standards of Quality Control (ISQC)1 and ISA 220
- BICA's statutory obligations
- BICA's adoption of international standards and best practices

**2021 Update:**

The Act was passed by The Parliament of The Bahamas and the Upper House (the Senate) and became the law upon the signing by the Governor General in October 2015. The Regulations were approved by the Minister in February 2016.

#	Start Date	Actions	Completion Date	Responsibility	Resource
1.	June 2013	Create a four (4) year strategic plan to be adopted by Council and shared with the membership. Strategic review cycle every two years for adoption by new President and Council.	Ongoing	Executive Council	Wider Council

**Action Plan Subject:** SMO 1 - Quality Assurance

**Action Plan Objective:** To develop and implement a mandatory quality assurance system based on SMO1 for persons performing audits of financial statements of, as a minimum, publicly listed companies.

### **Background**

A tripartite Monitoring Contract was executed by BICA with Association of Chartered Certified Accountants (ACCA) and ICAC to monitor audit quality at the engagement level effective 2016. The QA review cycle is for period of six (6) years. All licensees that perform attestation and assurance engagements will be subject to monitoring visits. The Quality Assurance Program being implemented is in line with SMO 1 requirements.

Council has established a Public Practice Committee. The Committee is mandated to:

1. Educate members and licensees and the public of the importance of Practice Monitoring/Peer Review
2. In collaboration with the CPD Committee, coordinate workshops and informational sessions to prepare licensees for monitoring visits
3. Identify the general trends emerging and recommend future CPD and/or other technical initiatives to assist licensees to prepare for monitoring visits
4. Establish Monitoring guidelines for the QA Program in the Bahamas in collaboration with ACCA and ICAC
5. Consult and advise the Legislative Reform Committee regarding any changes and/or updates as it relates to best practices and International Standards

During Summer 2015, the Committee agreed the framework and guidelines for the Quality Assurance Program, which formed the Rules for the Quality Assurance Program.

### **2021 Update:**

The ACCA, in accordance with its Tripartite Monitoring Contract with BICA and ICAC, commenced Practice Monitoring in the Spring of 2016, following the enactment of the Regulations. A Practice Monitoring/Peer Review Update and Workshop was held on March 17 and 18, 2016 in Nassau and Freeport, respectively, to assist in preparing practicing Members and Firms for the commencement of audit monitoring. The President of the Institute of Chartered Accountants of Barbados (ICAB), presented based on her previous experience with practice monitoring to offer insight to BICA members. BICA also held a Practice Monitoring Committee Update Seminar, on June 25, 2018, at the Melia Resort, New Providence. Presentations were made by BICA's Practice Monitoring Committee Chair, a Senior Practice Reviewer of the ACCA and the AICPA Chair.

<b>Implementation of Practice Monitoring/Peer Review Committee</b>					
<b>#</b>	<b>Start Date</b>	<b>Actions</b>	<b>Completion Date</b>	<b>Responsibility</b>	<b>Resource</b>
2.	January 2014	Educate licensees on new requirements of SMO 1 as it relates to auditors of PIEs	Ongoing through website, related committees and Technical Updates	Public Practice Committee,	IFAC SMO 1, Practice Monitoring Committee, Regional Monitoring Unit
<b>Maintaining Ongoing Processes</b>					
3.	May 2010	Establish monitoring body to address the administration of the monitoring program and to follow up on adverse reports with respect to licensees after the program is implemented	Ongoing. Completed guidelines in Summer 2015.	Public Practice Committee	Public Practice Committee
<b>Review of BICA's Compliance Information</b>					
4.	June 2021	Perform regular reviews (expected annually) of BICA's SMO Action Plan as part of the IFAC Compliance Program and update relevant sections as necessary. Once updated, inform IFAC compliance staff regarding the update.	Ongoing	Executive Council	Council

**Self-Assessment against the Main Requirements of SMO 1**

Requirements	Y	N	Partially	Comments
<p><b>Scope of the system</b></p> <p>1. At a minimum, mandatory QA reviews are required for all audits of financial statements.</p>				
<p><b>Quality Control Standards and Other Quality Control Guidance</b></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 ISA are adopted as the quality control standards.</p>				
<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><b>Review cycle</b></p> <p>5. A cycle-based, risk-based, or a mixed approach for selecting firms for QA review is used.</p>				
<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>				
<p><b>QA Review Team</b></p> <p>7. Independence of the QA Team is assessed and documented.</p>				



Requirements	Y	N	Partially	Comments
8. QA Team possesses appropriate levels of expertise.				
<b>Reporting</b>				
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.				
<b>Corrective and disciplinary actions</b>				
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.				
<b>Consideration of Public Oversight</b>				
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.				
<b>Regular review of implementation and effectiveness</b>				
14. Regular reviews of implementation and effectiveness of the system are performed.				

**Action Plan Subject:** SMO 2 - International Education Standards for Professional Accountants and Other Pronouncements Issued by the IAESB  
**Action Plan Objective:** To ensure that BICA's enabling legislation is updated to reflect the current requirements of SMO 2 and the IESs and that BICA provides adequate opportunities for its members and licensees to be able to satisfy these requirements.

### **Background**

BICA does not carry out its own initial professional development program, but accepts candidates from a number of other certifying bodies as indicated in the Act (currently including the American Institute of Certified Public Accountants, Certified Public Accountants of Canada, Association of Chartered Certified Accountants and the Institute of Chartered Accountants of England and Wales. Others will be eligible for approval upon review by the Council). The Institute is in the process of developing guidelines to address the assessment of applicants that fall outside of the prescribed bodies as indicated to ensure SMO compliance.

BICA has two primary categories of membership: General Members and Licensed Practitioners. In order to qualify as a member, the applicant must have successfully completed a qualifying examination, be of good character and be recommended by two members in good standing. Licensed Practitioners are required to complete thirty-six months of experience at a senior level.

It should be noted that the Institute has a rigorous system in place to monitor and enforce CPD Compliance. BICA verifies CPD obtained from other approved Institutes/seminars by utilizing an evidenced based approach. Annually, members are required to submit a schedule of completed CPD with information detailing topics, CPD type and hours associated with the CPD being awarded to the member. In addition, the member is required to provide supporting documentation (certificates and/or letters from CPD hosts) verifying information listed on the schedule. Each member is required to 'sign off' that the information included on the annual return is true and correct. Periodically, a sample of the annual returns and their supporting documents are selected for a primary source verification audit.

### **2021 Update:**

Pursuant to the completion of The Regulations, The Institute has developed CPD Guidelines for CPD SMO Compliance. As of the enactment of the Act, that is 2016, each member of The Institute must acquire 120 hours of Continuing Professional Development (CPD) over a three-year reporting period, or 40 hours per calendar year. Of these 40 hours, a minimum of 20 of these must be verifiable hours. Verifiable versus unverifiable CPD, and the Input versus the Output-based approach have been clearly defined, as well as the requirements regarding each category, in order to achieve and maintain compliance with the standards. Mandatory CPD has been defined for licensees performing audits and Tax related services, as Value Added Tax (VAT) has been implemented in The Bahamas. Penalties and sanctions as it relates to non-compliance with required CPD have also been outlined.

In order to facilitate these requirements, The Institute is committed to increasing the number of CPD hours it offers to its members, with increased hours in Ethics, IFRS and other pronouncements, Investigations & Discipline, Corporate Governance and Practice Monitoring being provided in New Providence and the Family Islands.

<b>Ensure Compliance with IES 7</b>					
<b>#</b>	<b>Start Date</b>	<b>Actions</b>	<b>Completion Date</b>	<b>Responsibility</b>	<b>Resource</b>
5.	January 2012	Review procedures and system of monitoring compliance of CPD Courses to ensure licensees and members have successfully completed required hours.	Ongoing	Licensing and Membership Committee	Secretariat, CPD Committee, Registrar
6.	January 2012	Implement membership log on to record CPD hours obtained during a reporting period  Currently a membership portal is being developed which will automate the tracking of CPD hours.	June 2013	CPD Committee, Council	CPD Committee, Website, Branding & Public Relations Committee, Secretariat
<b>Maintaining Ongoing Processes</b>					
<b>Review of BICA's Compliance Information</b>					

**Action Plan Subject:** SMO 3 - International Standards and Other Pronouncements Issued by the IAASB  
**Action Plan Objective:** Continue to strengthen and improve processes to ensure that auditors are aware of and are following the adopted IAASB pronouncements

**Background**

BICA has adopted the International Standards on Auditing (ISA) issued by the IAASB as its national standards without modifications. BICA is currently considering several ways to strengthen and improve its ability to ensure that its members and licensees are following adopted IAASB pronouncements as described in the actions below. The Institute has an ongoing process to adopt the current required version of ISA. The Technical Committee of the Institute executes this process as mandated in its Terms of Reference and collaborates with the Public Practice and the CPD Committee to ensure that this information is disseminated and training sessions are developed.

**2021 Update:**

In addition to the Technical Updates during Accountants' Week in November each year and The Grand Bahama Conference following, BICA has included in its CPD Calendar of Events, prepared by the CPD Committee, other seminars to educate its members on International Standards on Auditing (ISAs) and International Financial Reporting Standards (IFRSs). Accountants' Week includes a Technical Day which addresses "Accounting Technical" and the CPD Committee put on courses to address other elements as and when they are required. Also, BICA would leverage the International Network Firms so that the focus and attention is on SMP's.

#	Start Date	Actions	Completion Date	Responsibility	Resource
7.	May 2010	Maintain a program for responding to IAASB exposure drafts. This process allows BICA to take note of proposals that may be difficult to implement in the local environment. BICA solicits comments from Members for inclusion in our consolidated responses to exposure drafts, can send their comments to the BICA Secretariat for the attention of the Public Practice Committee Chair.	Ongoing	BICA's Public Practice Committee	Public Practice, SMP & Technical Committees, Secretariat
8.	May 2010	Ensure future CPD program incorporates more technical courses to educate members and licensees about new auditing and accounting requirements and how this may impact their work. Annually (typically November during Accountants Week), the Institute conducts a one-day workshop (Technical Update) to introduce any new standards and revisions to pronouncements to members and licensees. During	Ongoing	BICA's Public Practice Committee	Public Practice Committee, BICA Secretariat

		the period BICA introduced an additional day of Technical Update for members and Licensees in collaboration with two of the 'Big 4' Firms.			
<b><i>Maintaining Ongoing Processes</i></b>					
9.	May 2010	Continue to monitor implementation of the steps outlined above and update Action Plan as considered necessary.	Ongoing,	BICA's Executive Committee	BICA's Executive Committee
<b><i>Review of BICA's Compliance Information</i></b>					

**Action Plan Subject:** SMO 4 - IESBA Code of Ethics for Professional Accountants  
**Action Plan Objective:** To align the BICAs Code of Ethics with the IESBA Code of Ethics

**Background**

BICA has adopted the IESBA Code of Ethics. ‘The Code’ is referenced in the Act, thereby enabling the timely responsiveness of BICA- through consultation with the Minister of Finance, Council, members and licensees- to make necessary amendments through regulation and policy changes. We have the annual Accountants’ Week and ongoing seminars, including BICA’s partnership with the Association of Certified Fraud Examiners (ACFE), which include ethics training.

**2021 Update:**

In September 2014, there was a presentation on Ethics and Corporate Governance at a conference held in Grand Bahama. In December 2015, BICA held its 5<sup>th</sup> Annual Fraud, Ethics and Compliance Seminar, a joint venture with the local chapter of The Association of Certified Fraud Examiners (ACFE). There was an entire day of presentations dedicated to ethics and compliance, keeping in line with The Institute’s commitment to offer an increased number of CPD hours in the area of ethics. In December, 2019 and 2020, BICA held it’s 9<sup>th</sup> and 10<sup>th</sup> Annual Fraud, Ethics and Compliance Seminars jointly with the ACFE.

***Implement Clarified IFAC Code of Ethics***

#	Start Date	Actions	Completion Date	Responsibility	Resource
10.	July 2010	To ensure effective implementation of the Code, BICA will ensure our members and other key stakeholders are aware of the requirements. This will be achieved through the technical sessions that will be included in future CPD seminars and via publication of information in relation to the IESBA Code of Ethics on BICAs website, quarterly newsletter and via the BICA social media forum on Facebook.	Ongoing	Council, CPD Committee, Website, Public Relations & Branding Committee	BICA Council, CPD Committee, Website, Public Relations & Branding Committee

***Maintaining Ongoing Processes***

***Review of BICA’s Compliance Information***

**Action Plan Subject:** SMO 5 - International Public Sector Accounting Standards and Other Pronouncements Issued by the IPSASB  
**Action Plan Objective:** To demonstrate best endeavors to promote further awareness of IPSASs with the Auditor General and the Ministry of Finance and encourage adoption and implementation

**Background**

In The Bahamas, public sector entities typically use the cash basis for financial reporting. To further SMO 5, BICA will continue to promote the use of IPSAS with the Ministry of Finance and will include IPSAS materials and offerings as part of its program of CPD. The Financial Administration and Audit Act, 2010 sets out the financial reporting requirements for the GOB. The Minister of Finance has commenced a technical assistance program with CARTAC to implement International Public Sector Accounting Standards (IPSAS) in The Bahamas.

**2021 Update:**

The Auditor General of The Commonwealth of The Bahamas remains a current member of BICA and a past member of BICA's Council.. The AG was educated on the SMOs, when he sat as a Council member. Efforts are ongoing in terms of encouraging adoption and implementation of IPSAS through the technical assistance program. A member of BICA, who was previously a Partner with Ernst and Young, was appointed to represent BICA on the Steering Committee set up by the Public Treasury and Ministry of Finance to plan and oversee the adoption of IPSAS on an accrual basis for financial reporting by the Government of The Bahamas. The technical assistance mission of CARTAC visited The Bahamas for one week in November 2017 to assess the progress achieved in the Public Treasury reforms and improvements in accounting (including the transition to accrual accounting) The mission issued a report which is being used as a guide in further development and execution of the project. As a result, a revised timetable through to 2025-26 was proposed. The Steering Committee is revising and updating its detailed plan to address the issues raised by the CARTAC mission, and refining plans for further presentations under the communications plan. A priority is also to ensure the commitment of the policy and legislators. Implementation is planned in five Phases. Phase 1 (Strengthening Internal Controls) is a continuous process. Phase 2 (Implementation of new Chart of Accounts (CoA) for General Government Sector, also upgrading of the financial system (Infor) has been completed. The Public financial Management Bill is in its final draft stage. Overall progress in 2020 was slowed due to the pandemic.

#	Start Date	Actions	Completion Date	Responsibility	Resource
11.	July 2010	BICA will arrange semi-annual meetings with the Ministry of Finance, the Auditor General and the related IPSAS Committee and BICA's working group representative.  On the CPD schedule of events, BICA will look at including public finance or accrual based accounting.	Ongoing	Council	Council Ministry of Finance, Auditor General

		Also on the CPD schedule BICA will include promotion of related ICAC initiatives.			
<b>Maintaining Ongoing Processes</b>					
12.	January 2011	Include annual IPSAS update in CPD Seminar.	Ongoing	Council, CPD Committee	Council, CPD Committee
<b>Review of BICA's Compliance Information</b>					
13.	January 2011	Perform annual reviews of BICA's SMO Action Plan as part of the IFAC Compliance Program and update relevant sections as necessary. Once updated, inform IFAC compliance staff regarding the update.	Every six months following January 2011	Council IFAC Committee	Council IFAC Committee



**Action Plan Subject:** SMO 6 - Investigation and Discipline

**Action Plan Objective:** To ensure that the Investigations and Discipline procedures are adequately publicized

### **Background**

BICA has the responsibility for disciplining professional accountants. The Institute makes every effort to ensure that the provisions of the enabling legislation are carried out with respect to investigations and discipline of its members to ensure that the public interest is both protected and served by the profession.

### **2021 Update:**

The revised Investigations and Disciplinary process has been included in the Act, which complies with the requirements of SMO 6.

### Major changes to the Investigations and Disciplinary Committees are as follows:

- Both the Investigations and the Disciplinary Committees are no longer chaired by sitting members of Council. The structure of both committees also mandates that an attorney be a sitting member, as well as persons who are not members of The Institute
- Sitting members of Council are not eligible to serve on either committee during their tenure on Council, or for a period of two years thereafter
- The new legislation also provides for the Institute, through Council, to initiate the Investigations process
- Specific guidelines have been developed that describe breaches/infractions and their corresponding penalties. Monetary penalties are also specifically delineated
- The tenure of membership and Chairmanship of each committee will now be for a period of two years, with an option to be reappointed for an additional two-year period
- BICA has made provisions in the Act for the authority to inform designated stakeholder groups (inclusive of Institutes approved by BICA as a precursor for BICA membership) of the outcomes of disciplinary proceedings of members that are subject to disciplinary action. (Revised SMO 6 as issued in 2012 was referenced for the preparation of guidelines for this process)
- The Act also provides for an Appeal Committee that will also operate independent of Council. The Appeal Committee members will be remunerated with a stipend
- There has been training facilitated by the ACCA through ICAC.

<b>Ensure that BICA's Investigation and Disciplinary system is compliant the SMO 6</b>					
<b>#</b>	<b>Start Date</b>	<b>Actions</b>	<b>Completion Date</b>	<b>Responsibility</b>	<b>Resource</b>
14.	July 2010	BICA will publicize the Investigations and Disciplinary (I&D) process through its website and in the general news media so as to ensure that the public is aware about the I&D process and how to raise complaints where it may be necessary.	Ongoing November 2015	Council, Public Relations Committee	Council, Public Relations Committee
15.		Education Campaign to inform the public regarding the changes made to I&D process via BICA's education platforms through ICAC or Accountants' Week.	Ongoing	Public Relations Committee	Public Relations Committee
<b>Maintaining Ongoing Processes</b>					
<b>Review of BICA's Compliance Information</b>					

**Self-Assessment against the Main Requirements of SMO 6**

<b>Requirements</b>	<b>Y</b>	<b>N</b>	<b>Partially</b>	<b>Comments</b>
Scope of the system				

Requirements	Y	N	Partially	Comments
1. A system of investigation, discipline and appeals exists for the accountancy profession. The system is operational.				
2. Information about the types of misconduct which may bring about investigative actions is publicly available.				
<b>Initiation of Proceedings</b>				
3. Both a “complaints-based” and an “information-based” approach are adopted.				
4. Link with the results of QA reviews has been established.				
<b>Investigative process</b>				
5. A committee or similar body exists for performing investigations.				
6. Members of a committee are independent of the subject of the investigation and other related parties.				
<b>Disciplinary process</b>				
7. A separate disciplinary committee/entity exists to make disciplinary decisions on referrals from the investigation committee.				
8. Members of the committee/entity include professional accountants as well as non-accountants.				

<b>Requirements</b>	<b>Y</b>	<b>N</b>	<b>Partially</b>	<b>Comments</b>
9. The tribunal exhibits independence of the subject of the investigation and other related parties.				
<b>Sanctions</b> 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.				
<b>Rights of representation and appeal</b> 11. A third appeals body exists which is separate from both the disciplinary committee and investigative committee.				
<b>Administrative Processes</b> 12. Timeframe targets for disposal of all cases are set.				
13. Tracking mechanisms to monitor progress in investigation and discipline and related procedures are established.				
14. Records of investigations and disciplinary processes are established.				
<b>Public Interest Considerations</b>				

<b>Requirements</b>	<b>Y</b>	<b>N</b>	<b>Partially</b>	<b>Comments</b>
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.				
<b>Liaison with Outside Bodies</b>				
18. There is an appropriate process for liaison with outside bodies on possible involvement in serious crimes and offences.				
<b>Regular review of implementation and effectiveness</b>				
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:** Continue to strengthen and improve processes to ensure that auditors are aware of and are following the adopted IASB pronouncements

**Background**

BICA adopts the IFRS, without modification. Annually (typically November during Accountants Week), the Institute conducts a one-day workshop (Technical Update) to introduce any new standards and revisions to pronouncements to members and licensees. Currently, BICA has adopted the current version of the pronouncements without modification.

**2021 Update:**

In its ongoing efforts to achieve and maintain compliance with SMO requirements, The Institute has increased the number of CPD hours it offers on Technical updates during each Council year. This increase in CPD hours, which encompasses revised and new Technical pronouncements, will apply each year in order to ensure that the number of CPD hours being provided is sufficient for members to comply with SMO 7 requirements.

#	Start Date	Actions	Completion Date	Responsibility	Resource
16.	May 2010	BICA will maintain an active program for responding to IASB exposure drafts. This process allows BICA to take note of proposals that may be difficult to implement in the local environment. Members who would like to submit their comments to BICA for inclusion in our consolidated responses to exposure drafts, can send their comments to the BICA secretariat for the attention of the Public Practice Committee Chair.	Ongoing	Public Practice Committee, Technical Committee	Public Practice Committee, Technical Committee, Secretariat
17.	May 2010	Conduct annual one-day workshop for members and licensees providing updates on the development of IFRS for the year in review, new IFRS and IASB pronouncements as well as exposure drafts and interpretations.	Ongoing Annually	CPD Committee, Public Practice Committee, Technical Committee	CPD Committee, Public Practice Committee, Technical Committee, Secretariat

***Maintaining Ongoing Processes***

***Review of BICA's Compliance Information***

**APPENDIX OF COMPLETED ITEMS – UPDATE 2021**

**Action Plan Subject:** SMO 6 - Investigation and Discipline

<b>Ensure that BICA's Investigation and Disciplinary system is compliant the SMO 6</b>					
#	Start Date	Actions	Completion Date	Responsibility	Resource
18.	November 2013	Update specifically outlining the changes in the Act at Accountants Week and Accountants Update (Family Islands)	November 2014 & April 2015  Completed	Council, CPD Committee, Investigations Committee, Disciplinary Committee, Legislative Reform Committee, Public Relations Committee	Council, CPD Committee, Investigations Committee, Disciplinary Committee, Legislative Reform Committee, Public Relations Committee
19.		Members of the Legislative Reform to make presentations at affiliate organizations' annual joint seminars	October 2014, December 2014, February 2015	Council, CPD Committee, Investigations Committee, Disciplinary Committee, Legislative Reform Committee, Public Relations Committee	Council, CPD Committee, Investigations Committee, Disciplinary Committee, Legislative Reform Committee, Public Relations Committee