

## **BACKGROUND NOTE ON ACTION PLANS**

The SMO Action Plan is intended to provide a summary of how a member of IFAC (PAO) can develop activities that lead to the progress of the members of the PAO in complying with the profession and improving their performance and reputation in the field.

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

IFAC Members and Associates conduct a self-assessment against the requirements of SMOs and identify areas where, if any, improvements are needed. Members and Associates should develop an Action Plan to (a) demonstrate how they fulfill the requirements of the SMOs (revised in 2012), and (b) where some requirements are not yet addressed, to present plans towards their fulfillment.

Action Plans are designed to be **ever-green** documents that take into consideration IFAC recommendations. Depending on the PAO's level of fulfillment (see *IFAC's Summary Assessment* – page 2), an Action Plan may not be necessary for each SMO section and instead the '*Attestation of Ongoing SMO Compliance*' is used to confirm their ongoing commitments. However, PAOs may wish and are welcome to utilize the Action Plan as a tool to demonstrate how they are using 'best endeavors' and going beyond their mandate with innovative approaches to fulfilling the SMOs and strengthening the national profession.

Regular updates of the SMO Action Plans are required as part of the [IFAC Member Compliance Program](#).

### **Use of Information**

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

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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 affect those decisions, including incorporation into national requirements or requiring the use of international standards through law. Adoption may include a process to review draft international standards, translation, public exposure of proposed standards, approval, incorporation into national requirements as necessary, and promulgation of final standards, and, where applicable, a convergence process to eliminate or minimize differences between international and national standards.

<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.

**ACTION PLAN**

**IFAC Member:** Lebanese Association of Certified Public Accountants (LACPA)

**Original Publish Date:**

**Last Updated:** November 7, 2024

**Next Update:**

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

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

FOR IFAC COMPLETION	PAO Level of Responsibility for Adoption	Adoption Status as of 2023	Level of SMO Fulfillment as of 2023
QA / SMO 1			
IES / SMO 2			
ISA / SMO 3			
IESBA / SMO 4			
IPSAS / SMO 5			
I&D / SMO 6			
IFRS / SMO 7			

### **Attestation of SMO Compliance**

The **Lebanese Association of Certified Public Accountants (LACPA)** developed this Action Plan to demonstrate how it plans to continue fulfilling the requirements of the SMOs (revised in 2012). The abovementioned [Governing Body](#) has reviewed the information contained within the SMO Action Plan and affirms that **LACPA** continues to undertake these and other relevant actions to maintain ongoing compliance and fulfillment of the membership obligations where IFAC's assessments are at *Review & Improve* and/or *Sustain*. In areas where IFAC's assessments are at *Execute, Plan, Consider, or Not Active*, **LACPA** has updated the Action Plan to reflect the specific actions to adopt or support adoption and support implementation that must be taken to achieve the improvement accompanied by a timeline.

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

## **GLOSSARY**

<b>ABL</b>	Association of Banks in Lebanon
<b>ACCA</b>	Association of Chartered Certified Accountants
<b>ACFE</b>	Association of Certified Fraud Examiners
<b>AFAA</b>	Arab Federation of Accountants and Auditors
<b>AICPA</b>	American Institute of CPAs
<b>CFA</b>	Chartered Financial Analyst
<b>CIA</b>	Certified Internal Auditor
<b>CIMA</b>	Chartered Institute of Management Accountants
<b>CMA</b>	Certified Management Accountant
<b>CNCC</b>	Compagnie Nationale des Commissaires aux Comptes de France
<b>CPA</b>	Certified Public Accountants
<b>CPD</b>	Continuing Professional Development
<b>DiplIFR</b>	Diploma in International Financial Reporting
<b>ESG</b>	Environmental, Social, and Governance
<b>FIDEF</b>	Fédération Internationale des Experts-Comptables Francophones
<b>FinTech</b>	Financial Technology
<b>FMAA</b>	Financial and Managerial Accounting Associate
<b>IAASB</b>	International Auditing and Assurance Standards Board
<b>IES</b>	International Education Standards
<b>IFAC</b>	International Federation of Accountants
<b>IFRS for SMEs</b>	International Financial Reporting Standards for Small and Medium-Sized Entities
<b>IIA</b>	Institute of Internal Auditors
<b>IMA</b>	Institute of Management Accountants
<b>IMF</b>	International Monetary Fund
<b>IOF</b>	Institute of Finance
<b>IPAE</b>	International Panel on Accountancy Education
<b>IPD</b>	Initial Professional Development
<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>ISACA</b>	Information System Auditors & Control Association
<b>ISQM</b>	International Standard on Quality Management
<b>IT</b>	Information Technology
<b>LACPA</b>	Lebanese Association of Certified Public Accountants

<b>LCPA</b>	Lebanese Certified Public Accountants
<b>MOF</b>	Ministry of Finance
<b>MOU</b>	Memorandum of Understanding
<b>NGO</b>	Non-Governmental Organization
<b>SMO</b>	Statement of Membership Obligations
<b>SMP</b>	Small and Medium Practices
<b>OEC</b>	Ordre des Experts Comptables de France
<b>QA</b>	Quality Assurance
<b>QCSC</b>	Quality Control Supervisory Commission
<b>QCTC</b>	Quality Control Technical Committee
<b>ULC</b>	University Liaison Committee

**Action Plan Subject:** Overview of the Lebanese Association of Certified Public Accountants (LACPA)  
**Action Plan Objective:** Describe Regulatory and Standard-Setting Framework, Governance, Challenges and Success Factors

**Background:**

The Lebanese Association of Certified Public Accountants (LACPA) is the official regulatory body for the accountancy profession in Lebanon. Established under Law No. 364 on August 1, 1994 issued by the Lebanese Parliament, LACPA is tasked with overseeing the professional conduct, education, and certification of auditors in Lebanon. The organization aims to promote high standards of practice, enhance the quality of financial reporting, and ensure that its members adhere to both national and international standards.

LACPA operates in a complex and dynamic environment characterized by evolving international standards, increasing demands for transparency and accountability in financial reporting, and a growing need for specialized skills among accounting professionals. The Lebanese economy and regulatory landscape pose unique challenges, including economic instability, regulatory changes, and the need for and the need to apply international public accounting practices in the private sector due to Lebanon's hyperinflationary situation, as well as the implementation of IPSAS in the public sector to ensure transparency and accountability.

The primary goals of LACPA's SMO Action Plan are to:

- Promote the adoption of international standards across the accounting profession in Lebanon.
- Support the implementation of these standards through comprehensive training and capacity-building initiatives.
- Maintain ongoing processes to ensure continuous compliance and adaptation to new developments in the field.

LACPA operates under the authority granted by Law No. 364 issued by the Lebanese Parliament. The association is responsible for setting auditing standards, enforcing professional conduct rules, and overseeing the certification and licensing of CPAs in Lebanon. LACPA collaborates with various governmental bodies, including the Ministry of Finance, to ensure compliance with national regulations.

LACPA formulates and proposes accounting and auditing principles in accordance with international standards. The association ensures that these standards are integrated into the educational curriculum and professional development programs for its members.

LACPA is governed by a board of directors elected by its members. The board is responsible for strategic decision-making and oversight of the association's activities. Various committees within LACPA are tasked with specific responsibilities to ensure the effective implementation of standards and initiatives.

**Governance Challenges:**

Regulatory Compliance: Ensuring that all members comply with evolving national and international standards.

Resource Allocation: Managing limited resources to support extensive training and development programs.

Stakeholder Engagement: Effectively engaging with diverse stakeholders, including government bodies, academic institutions, and international organizations.

*Economic Instability:* Navigating the challenges posed by Lebanon's economic environment, which can impact the profession's stability and growth.

*Implementation of Quality Assurance Programs:* Overcoming obstacles in enforcing and monitoring the adherence of LACPA members to quality assurance standards, ensuring the successful rollout of peer review and quality control systems across member firms.

**Success Factors:**

*Strong Leadership:* Effective governance and leadership by the board of directors and committee members.

*Collaboration:* Strong partnerships with governmental bodies, academic institutions, and international organizations.

*Continuous Improvement:* Commitment to continuous learning, professional development, and adherence to best practices.

*Member Engagement:* Active participation and feedback from LACPA members to improve initiatives and programs.

*Highly Qualified Members:* A significant number of LACPA members, both in Lebanon and the Gulf region, are highly qualified and experienced professionals, contributing to the strength and reputation of the profession.

**Objectives of the SMO Action Plan:**

*Promoting Adoption:*

- Increase awareness and understanding of international standards among accounting professionals.
- Advocate for governmental endorsement and support for the adoption of these standards.

*Supporting Implementation:*

- Develop and deliver comprehensive training programs to equip members with the necessary skills and knowledge.
- Provide technical support and guidance to ensure effective implementation of standards.

*Maintaining Ongoing Processes:*

- Establish robust monitoring and compliance mechanisms to ensure continuous adherence to standards.
- Regularly review and update standards and practices to reflect new developments and feedback.

**Action Plan Subject:** SMO 1–Quality Assurance  
**Action Plan Objective:** To implement quality assurance reviews for LACPA members

**Background:**

The LACPA External Quality Assurance (QA) review system was originally defined in 2005. Due to political instability in the country and a lack of required awareness activities, the related Quality Assurance reviews were not started. The program was delayed and reactivated late in 2008. A procedures manual and a training document were prepared for the Peer Review Process by 2009.

After approving and publishing the Quality Control Manual, LACPA, based on the recommendations of the Quality Control Committee assigned to develop the manual, amended its bylaws under Article No. 31 during its General Assembly on 03/12/2013. This amendment established two committees: the Quality Control Supervisory Commission (QCSC) and the Quality Control Technical Committee (QCTC).

LACPA officially launched the adoption and implementation of the Peer Review and Quality Assurance system during its International Scientific Congress on November 26, 2014. In 2015, LACPA reviewed its published quality control manual to ensure its compliance with the revised requirements of SMO 1. The association established the internal bylaws for the QCSC and QCTC and appointed the members of the QCSC.

To prepare for the implementation of the peer review process, LACPA conducted a series of events and activities in late 2014 and 2015. These included the development of an audit manual that incorporates a complete audit methodology in both English and Arabic based on International Standards on Auditing (ISAs) for Small and Medium Practices (SMPs), workshops to support SMPs, identifying international and local partners to provide financial support for the peer review program, selecting and training external quality assurance reviewers, and hosting several technical workshops for members, trainees, and the business community.

Moreover, on November 4 and 5, 2015, a Quality Control Committee developed and launched a guide for quality control reviewers to be implemented during the quality assurance review. In addition, a training workshop for peer reviewers was conducted in Beirut, Lebanon. This workshop was organized in collaboration with the American Institute of CPAs (AICPA) and delivered by the AICPA team for reviewers from Lebanon, Jordan, and Egypt. The attendees were the appointed quality control reviewers selected by LACPA at the time.

Since 2016, progress in the area of quality assurance has been minimal. However, with the election of the new board, LACPA has taken decisive action to prioritize the enforcement of quality assurance across its membership. The new leadership is committed to implementing all necessary procedures to ensure compliance with international standards. As part of this initiative, all LACPA members are now required to adopt the International Standards on Quality Management (ISQM 1 and ISQM 2) and ISA 220, which focus on quality management for audit and assurance engagements.

To kickstart the implementation process, LACPA will conduct audits on a sample of ten firms in the coming year. This includes five mandatory audits and five voluntary audits, aimed at assessing firms' adherence to the newly adopted standards. These audits will serve as a foundation for peer reviews, promoting best practices and encouraging firms to take the lead in quality improvement.

In line with these efforts, new members have been appointed to both the Quality Control Supervisory Commission (QCSC) and the Quality Control Technical Committee (QCTC), who will oversee the quality assurance framework. All the newly appointed members are highly qualified non-practitioners, including former

partners or directors from Big Four or other international firms, bringing extensive expertise and experience. Additionally, the General Assembly is set to consider renaming these committees from 'Control' to 'Management' to reflect the evolving nature of their roles and responsibilities in driving continuous quality improvement.

#	Start Date	Actions	Completion Date	Responsibility	Resource
<i>Promoting Adoption</i>					
1.	September 2024	<p><b>Awareness Campaigns:</b></p> <ul style="list-style-type: none"> <li>• Conduct awareness campaigns to inform members and stakeholders about the importance and benefits of the Quality Assurance review system.</li> <li>• Publish articles and updates in LACPA's professional e-magazine and other media outlets to educate members on the adoption of ISQM 1 and ISQM 2.</li> <li>• Launch official communications during key events, such as the International Scientific Congress, to promote the QA review system.</li> <li>• Communicate the importance of quality assurance to LACPA members and the business community through forums, dialogues, and publications.</li> </ul>	Ongoing	LACPA Board and relevant committees	LACPA, Quality Management Reviewers from Jordan and Egypt
2.	September 2024	<p><b>Stakeholder Engagement:</b></p> <ul style="list-style-type: none"> <li>• Engage with key stakeholders, including government bodies and professional organizations, to promote understanding and support for LACPA's Quality Assurance system.</li> <li>• Identify international and local partners to provide financial support and funding for the Quality Assurance System.</li> <li>• Organize seminars, webinars, and workshops to discuss the adoption and application of ISQM 1 and ISQM 2.</li> </ul>	Ongoing	LACPA Board and relevant committees	LACPA, ACCA, AICPA & CIMA and possibly support from the World Bank
<i>Supporting Implementation of the Standards</i>					
3.	October 2024	<p><b>Resources and Guidance:</b></p> <ul style="list-style-type: none"> <li>• Update the guidance and resources for LACPA members, including manuals and templates in English and Arabic to assist members and firms in implementing ISQM 1 and ISQM 2.</li> </ul>	December 2025	LACPA Board, LACPA Technical Training Institute and	LACPA, IFAC, AICPA & CIMA and ACCA

		<ul style="list-style-type: none"> <li>• Revise the internal bylaws related to Quality Assurance to ensure alignment with current standards and practices.</li> <li>• Revise the Quality Assurance Guide for firms incorporating the latest developments and requirements from ISQM 1, ISQM 2, and ISA 220.</li> <li>• Revise the guide for quality management reviewers and update the questionnaires to support them in conducting reviews of selected LACPA members.</li> </ul>		relevant committees	
4.	October 2024	<p><b>Training Programs:</b></p> <ul style="list-style-type: none"> <li>• Launch comprehensive training programs focused on educating and training members and firms on ISQM 1 and ISQM 2 requirements.</li> <li>• Conduct continuous training sessions to ensure all members and relevant entities are proficient in applying these standards.</li> <li>• Arrange specialized workshop trainings on the Audit Manual Guide, which includes a comprehensive audit methodology. The old guide will be updated by a special interest working group composed of LACPA members and developed for small and medium practice firms, as well as sole practitioners. These workshops will target a significant number of members who have not attended such sessions since 2016, along with other members.</li> <li>• Raise LACPA members' awareness of the Quality Assurance Program through technical workshops and training on the Quality Management programs.</li> <li>• Reconduct technical workshop training offered by professionals for quality management reviewers from the region (Egypt, Jordan and Lebanon) constituting the core of centralized adopted quality control reviewers in the region which was previously unofficially constituted AFAA.</li> </ul>	Ongoing	LACPA Board and LACPA Technical Training Institute	LACPA, AICPA & CIMA and ACCA
5.	October 2024	<p><b>Operational Support:</b></p> <ul style="list-style-type: none"> <li>• Put in place the required tools to ensure a confidential environment for QCSC and QCTC work at LACPA</li> </ul>	Ongoing	LACPA Board	LACPA and possibly World Bank

		<p>premises through maintaining separate offices, IT infrastructure, and database support.</p> <ul style="list-style-type: none"> <li>• Develop a specialized electronic application for quality assurance under the exclusive authority and supervision of the QCSC, the application will collect all necessary information from auditors, enabling the QCTC to implement the quality assurance program. Auditors will receive a private electronic link to access and submit their data. To ensure professional confidentiality and safeguard member information, access will be limited to QCSC and QCTC members, data will be encrypted, and the system will be protected against hacking. Additionally, IT audits by two specialized firms will be conducted before the application's launch to ensure its security and functionality.</li> <li>• Continue to provide adequate technical, administrative, and financial support to QCSC and QCTC to ensure independent and effective functioning.</li> </ul>			
6.	October 2025	<p><b>Quality Assurance Implementation Phase:</b></p> <ul style="list-style-type: none"> <li>• Adopt QA reviews on a sample of 10 selected audit firms from LACPA members. The first five firms will be selected by the Quality Assurance Technical Committee (QATC), while the other five will voluntarily subject themselves to QA reviews. The LACPA Board has recommended that QA reviews be conducted using a mixed approach, combining both cycle-based and risk-based methodologies. Quality control reviews are required to occur at least once every six years, with more frequent reviews (every three years) for audits of public interest entities.</li> </ul>	December 2025	Quality Assurance Technical Committee	Quality Assurance Technical Committee and firms that go through the process
<i>Maintaining Ongoing Processes</i>					
7.	January 2026	<p><b>Monitoring and Compliance:</b></p> <ul style="list-style-type: none"> <li>• Implement a system to monitor compliance with ISQM 1 and ISQM 2 among member firms.</li> </ul>	Ongoing	LACPA Board and relevant committees	LACPA Board, relevant committees and firms that go through the process

		<ul style="list-style-type: none"> <li>Require periodic attestations from firms on their adherence to these standards and provide mechanisms for reporting non-compliance.</li> </ul>			
8.	January 2026	<p><b>Continuous Improvement:</b></p> <ul style="list-style-type: none"> <li>Regularly review and update training programs and resources based on feedback and emerging best practices in quality assurance.</li> <li>Encourage members and firms to provide input on the implementation of ISQM 1 and ISQM 2 to ensure continuous improvement.</li> <li>Conduct periodic reviews and assessments of the External Quality Assurance review system to ensure proper implementation and address any misapplications.</li> <li>Conduct continuous QA reviews annually, in accordance with the board's recommendations and the internal bylaws of the QATC. These recommendations require at least one review every three years for firms with Public Interest Entity (PIE) clients and at least one review every six years for firms without PIE clients. Quality control reviews will be scheduled during the second half of each year to accommodate firms' increased workloads at the beginning of the year, ensuring that reviews are conducted at a time when firms can fully participate.</li> </ul>	Ongoing	LACPA Board, LACPA Technical Training Institute and relevant committees	Firms that go through the process, LACPA relevant committees and possibly World Bank
9.	July 2026	<p><b>Reporting and Transparency:</b></p> <ul style="list-style-type: none"> <li>Ensure transparency in the Quality Assurance process by publishing an annual report on the number and nature of reviews conducted, findings, and actions taken.</li> <li>Provide anonymized case studies and summaries of QA reviews to help educate members on common issues and outcomes.</li> </ul>	Ongoing	LACPA Board, QCSC and QCTC	Firms that go through the process, LACPA relevant committees
10.	Current	<p><b>Support for Members:</b></p> <ul style="list-style-type: none"> <li>Offer counseling and support services for members involved in the QA process to help them understand the process and their obligations.</li> </ul>	Ongoing	LACPA Board, LACPA Technical Training Institute and	Firms that go through the process, LACPA relevant committees

		<ul style="list-style-type: none"> <li>• Develop rehabilitation programs for firms that have been found non-compliant to help them achieve compliance successfully.</li> <li>• Establish a technical center of excellence to address queries and provide assistance on quality assurance matters.</li> </ul>		relevant committees	
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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>	<b>Yes</b>			Starting in the fourth quarter of 2025, QA reviews will be conducted on a sample of 10 audit firms from LACPA members. The first five firms will be selected by the Quality Assurance Technical Committee (QATC), while the remaining five will voluntarily participate in the QA reviews.
<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>	<b>Yes</b>			Firms are required to implement a system of quality management in accordance with the relevant quality standards, ensuring adherence to the latest international guidelines such as ISQM 1, ISQM 2, and ISA 220.
<p>3. Most up to date versions of ISQC 1 and other relevant ISA are adopted as the quality control standards.</p>	<b>Yes</b>			The most up-to-date versions of quality assurance standards and relevant International Standards on Auditing (ISAs) have been adopted as the required quality management standards. These standards ensure that firms align with the latest global practices, particularly through the implementation of ISQM 1, ISQM 2, and ISA 220, reinforcing the commitment to quality and consistency in audit practices.

<b>Requirements</b>	<b>Y</b>	<b>N</b>	<b>Partially</b>	<b>Comments</b>
4. Member Body assists firms in understanding the objectives of quality control and in implementing and maintaining appropriate systems of quality control.	<b>Yes</b>			LACPA is highly determined and committed to an ongoing process of supporting all firms in understanding SMO 1, SMO 2, and ISA 220, and providing all relevant assistance in implementing and maintaining appropriate quality management systems.
<b>Review Cycle</b> 5. A cycle-based, risk-based, or a mixed approach for selecting firms for QA review is used.	<b>Yes</b>			A mixed approach will be used, with an emphasis on a risk-based method. High-risk firms will be prioritized, requiring at least one review every three years for firms with Public Interest Entity (PIE) clients, and at least one review every six years for firms without PIE clients.
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).	<b>Yes</b>			High-risk firms will be prioritized, requiring at least one review every three years for firms with Public Interest Entity (PIE) clients, and at least one review every six years for firms without PIE clients.

Requirements	Y	N	Partially	Comments
<p><b>QA Review Team</b></p> <p>7. Independence of the QA Team is assessed and documented.</p>	<b>Yes</b>			<p>The LACPA Board places great importance on the independence of the Quality Assurance process, and this is clearly reflected in the internal bylaws. Both the Quality Control Supervisory Commission (QCSC) and the Quality Control Technical Committee (QCTC) operate independently, even though their members are nominated by the board. To ensure good governance, the internal bylaws – approved by the General Assembly – clearly define the authority and responsibilities of these two independent committees, ensuring that there is no board intervention or influence in the quality assurance reviews conducted on LACPA members. Additionally, the members selected for both committees are fully independent, consisting of retired practitioners and non-practitioners with extensive experience in international audit firms. QA reviewers, who come from Jordan and Egypt, further reinforce the objectivity of the process.</p>
<p>8. QA Team possesses appropriate levels of expertise.</p>	<b>Yes</b>			<p>The LACPA Board ensures that the QA Team possesses the appropriate levels of expertise required to carry out effective quality assurance reviews. To maintain high standards, LACPA regularly organizes training workshops for peer reviewers. For example, a workshop was previously held in Beirut, Lebanon, in collaboration with the American Institute of CPAs (AICPA). The AICPA team delivered training for reviewers from Lebanon, Jordan, and Egypt, enhancing their knowledge and skills. The attendees, who were the appointed quality control reviewers selected by LACPA, gained advanced expertise in conducting reviews, ensuring that the QA Team remains highly qualified and well-prepared to uphold international audit standards.</p>

Requirements	Y	N	Partially	Comments
<p><b>Reporting</b></p> <p>9. Documentation of evidence supporting the quality control review report is required.</p>	<b>Yes</b>			<p>According to the internal bylaws, appointed reviewers for each selected firm are required to document all their procedures using a comprehensive questionnaire and review guides. These documents, along with all relevant supporting materials, will serve as evidence to support the conclusions reached in the review reports. The reports will be issued by the Quality Control Technical Committee (QCTC) and subsequently reviewed by the Quality Control Supervisory Commission (QCSC).</p>
<p>10. A written report is issued upon conclusion of the QA review and provided to the firm/partner reviewed.</p>	<b>Yes</b>			<p>Upon the conclusion of the QA review, a written report is issued and provided to the firm or partner reviewed. The feedback on the report, prepared by the Quality Control Technical Committee (QCTC), is then thoroughly reviewed by both the QCTC and the Quality Control Supervisory Commission (QCSC). This dual review process ensures that all findings and recommendations are carefully considered, and any necessary follow-up actions are addressed in a comprehensive manner.</p>

Requirements	Y	N	Partially	Comments
<p><b>Corrective and Disciplinary Actions</b></p> <p>11. Reviewed firms/partners are required to make timely adjustments to meet recommendations from the review report.</p>	<b>Yes</b>			<p>According to the internal bylaws, reviewed firms or partners are required to make timely adjustments to meet the recommendations from the review report. The report issued can fall into one of three categories: (1) pass, (2) pass with deficiencies, or (3) negative opinion (did not pass). Firms or partners receiving a "pass with deficiencies" or a "negative opinion" are obligated to address the identified issues promptly in order to comply with the quality assurance standards.</p>
<p>12. QA review system is linked to the investigation and discipline system.</p>	<b>Yes</b>			<p>According to the internal bylaws, the QA review system is directly linked to the investigation and discipline system. If a firm or partner receives a "pass with deficiencies" in their review report, there is a mandatory follow-up to ensure that corrective actions are taken. The firm must implement the necessary remedies to address the deficiencies. However, if a firm receives a "negative opinion" (did not pass), the case is escalated to the disciplinary board, as outlined in the bylaws, for further investigation and potential disciplinary action.</p>
<p><b>Consideration of Public Oversight</b></p> <p>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.</p>		<b>No</b>		<p>This option is not available at this time because there is currently no oversight body responsible for the auditing of publicly listed entities.</p>
<p><b>Regular Review of Implementation and Effectiveness</b></p> <p>14. Regular reviews of implementation and effectiveness of the system are performed.</p>	<b>Yes</b>			<p>Annual reviews should be done and an annual report should take place.</p>

**Action Plan Subject:** SMO 2–International Education Standards for Professional Accountants and Other Pronouncements Issued by the IAESB  
**Action Plan Objective:** Continue to Use Best Endeavors to Satisfy the Requirements of International Education Standards

**Background:**

The Accountancy Profession Law No. 364 of 1994 establishes the requirements for initial professional development (IPD) for aspiring Certified Public Accountants (CPAs) in Lebanon. This law mandates that all CPAs must be registered and licensed members of the Lebanese Association of Certified Public Accountants (LACPA) and grants the association the authority to set continuing professional development (CPD) requirements for its members. The IPD requirements for LCPAs include obtaining a university degree in Business Administration or its equivalent, gaining three years of practical experience supervised by a LACPA member, and successfully completing LACPA’s professional examinations. To ensure that its members remain proficient and up-to-date with current practices, LACPA requires CPAs to attend a minimum of 40 hours of CPD annually. The association monitors the fulfillment of these requirements by requiring members to submit evidence of completed CPD hours and is implementing a robust system to enhance compliance.

In July 2024, LACPA established a new University Liaison Committee (ULC) to continue the work of previous committees in visiting universities in Lebanon. This committee aims to ensure that the curricula of these universities meet the evolving requirements of the profession. A memorandum of understanding was signed between LACPA and several universities to maintain and update curricula accordingly. A gap analysis has been conducted, and ongoing discussions with universities are aimed at motivating them to make the necessary updates.

Several indicators affirm that LACPA is effectively fulfilling these requirements. Many LACPA members successfully pass international exams such as CPA, CFA, CMA, and DipIFR, etc. demonstrating their high level of competence. LACPA is now updating the content of its exams to align with global standards and new developments, and it is transitioning to computer-based examinations to streamline the process and improve accessibility.

To further enhance the professional development of its members, LACPA is increasing the variety and frequency of its CPD programs. Ethics education is being integrated into CPD programs to emphasize the importance of ethical practices in the profession. LACPA’s commitment to aligning its programs with international standards is strengthened by the involvement of its Secretary General in the International Panel on Accountancy Education (IPAE) as a member and the appointment of one of its board members as a technical advisor in the panel, providing valuable insights into international education standards (IES).

#	Start Date	Actions	Completion Date	Responsibility	Resource
<i>Promoting Adoption</i>					
11.	Current	<p><b><u>Engage Universities:</u></b></p> <ul style="list-style-type: none"> <li>Continue collaboration with universities through the University Liaison Committee (ULC) to update and align curricula with professional standards.</li> </ul>	Ongoing	LACPA Board, LACPA Secretary General,	LACPA, Universities, and possibly World Bank

		<ul style="list-style-type: none"> <li>• Conduct gap analyses to identify areas needing updates in accounting education.</li> <li>• Reactivate LACPA's MOUs with universities and sign new agreements with additional universities to strengthen academic partnerships and support the development of accounting education.</li> </ul>		LACPA Technical Training Institute and University Liaison Committee	
12.	Current	<p><b><u>Raise Awareness:</u></b></p> <ul style="list-style-type: none"> <li>• Organize seminars, webinars, and workshops to promote the importance of IPD and CPD among aspiring and current LCPAs.</li> <li>• Develop marketing materials and campaigns highlighting the benefits of adhering to LACPA standards.</li> </ul>	Ongoing	LACPA Board, LACPA Secretary General, LACPA Technical Training Institute and University Liaison Committee	LACPA, Universities, and possibly World Bank
13.	Current	<p><b><u>International Collaboration:</u></b></p> <ul style="list-style-type: none"> <li>• Leverage the Secretary General's involvement as a member of the International Panel on Accountancy Education (IPAE) to promote the adoption of international standards.</li> <li>• Participate in international conferences and forums to showcase LACPA's commitment to global best practices.</li> <li>• Initiate and host international congresses and symposiums on an annual basis in Lebanon, inviting renowned expert speakers and organizations from around the world (e.g., a congress on "Financial Inclusion for a Sustainable Economy" and a symposium on "ESG &amp; Sustainability," both prepared and scheduled for next year).</li> <li>• Reactivate LACPA's MOUs with international bodies, mainly ACCA, AICPA &amp; CIMA, and OEC &amp; CNCC, to strengthen international partnerships and enhance the global qualifications available to its members.</li> </ul>	Ongoing	LACPA Board, LACPA Secretary General, and LACPA Technical Training Institute	LACPA, Universities, IFAC, AICPA & CIMA, OEC & CNCC, ACCA, FIDEF, AFAA, IMF and World Bank

<b>Supporting Implementation of the Standards</b>					
14.	Current	<p><b><u>Educational Support:</u></b></p> <ul style="list-style-type: none"> <li>• Provide resources and support to universities for updating their accounting programs.</li> <li>• Offer faculty development programs to ensure university instructors are well-equipped to teach updated curricula.</li> </ul>	Ongoing	LACPA Technical Training Institute	LACPA, Experts, Universities, and possibly World Bank
15.	Current	<p><b><u>Professional Examinations:</u></b></p> <ul style="list-style-type: none"> <li>• Update the content of LACPA's professional examinations to align with international standards and new developments. This examination consists of four parts: 1. Financial Reporting, 2. Management Accounting, 3. Business Laws, Regulations, and Taxation, and 4. Audit and Assurance. It is important to note that the LACPA Board is working to add a fifth part: Information Technology.</li> <li>• Transition to computer-based examinations to streamline the process and improve accessibility.</li> </ul>	Ongoing	LACPA Technical Training Institute and LACPA Independent Examination Committee	LACPA, LACPA Independent Examination Committee, Ministry of Justice, Ministry of Finance, Ministry of Education and Higher Education, Universities and possibly World Bank
16.	Current	<p><b><u>CPD Programs:</u></b></p> <ul style="list-style-type: none"> <li>• Increase the variety and frequency of CPD programs to cover emerging topics and new developments in the field. To support this effort, LACPA will be signing an agreement with Becker Professional Development Corporation to enhance CPD offerings for its members.</li> <li>• Reactivate the MOUs with IMA, IIA, and ISACA Lebanon to provide joint workshops, attract experts, and offer exclusive discounts for LACPA members on membership and certifications. The agreements also include collaborative communication efforts and knowledge sharing between LACPA and these organizations.</li> <li>• Reactivate the MOUs with our local partners, mainly the Ministry of Finance and the Institute of Finance, to strengthen collaboration, develop joint initiatives, and provide training programs that enhance the skills of LACPA members.</li> </ul>	Ongoing	LACPA, LACPA Secretary General, LACPA Technical Training Institute and LACPA Ethics Committee	LACPA, Morgan International Lebanon, Becker Professional Development Corporation, AICPA & CIMA, ACCA, IMA, IIA, ISACA, ACFE, MOF, IOF and possibly World Bank

		<ul style="list-style-type: none"> <li>• Sign an MOU with ACFE to provide a forensic diploma for LACPA members, the Ministry of Justice, and the National Anti-Corruption Commission, further enhancing specialized knowledge and skills in forensic accounting.</li> <li>• Sign an MOU with Morgan International Lebanon to provide discounted access to key professional qualifications for LACPA members, including CPA, CMA, FMAA, CIA, CFA, and ESG certifications.</li> <li>• Integrate ethics education into all CPD programs to emphasize the importance of ethical practices in the profession.</li> </ul>			
17.	Current	<p><b><u>Monitoring and Compliance:</u></b></p> <ul style="list-style-type: none"> <li>• Implement a robust system to monitor and ensure compliance with CPD requirements among members.</li> <li>• Require members to submit evidence of completed CPD hours and provide feedback on CPD activities.</li> </ul>	Ongoing	LACPA Technical Training Institute and LACPA Discipline Committee	LACPA Technical Training Institute and LACPA Discipline Committee
<b><i>Maintaining Ongoing Processes</i></b>					
18.	Current	<p><b><u>Continuous Curriculum Review:</u></b></p> <ul style="list-style-type: none"> <li>• Conduct regular reviews of university curricula to ensure ongoing alignment with professional standards and requirements.</li> <li>• Maintain ongoing dialogue with universities to facilitate continuous updates and improvements.</li> </ul>	Ongoing	LACPA Board, LACPA Secretary General and University Liaison Committee	LACPA, ACCA and Universities
19.	Current	<p><b><u>CPD Program Evaluation:</u></b></p> <ul style="list-style-type: none"> <li>• Regularly evaluate the effectiveness of CPD programs and make necessary adjustments based on feedback and emerging trends.</li> <li>• Encourage members to provide input on CPD topics and formats to ensure programs remain relevant and engaging.</li> </ul>	Ongoing	LACPA Technical Training Institute	LACPA Technical Training Institute

20.	Current	<p><b><u>Ethics Integration:</u></b></p> <ul style="list-style-type: none"> <li>• Maintain a focus on ethics education within both IPD and CPD programs to reinforce the importance of ethical behavior in the profession. LACPA requires at least 3 hours of ethics education within the 40 hours of CPD required annually.</li> <li>• Develop case studies and real-life scenarios to enhance the practical application of ethical principles.</li> </ul>	Ongoing	LACPA Technical Training Institute and LACPA Ethics Committee	LACPA Technical Training Institute and LACPA Ethics Committee
21.	Current	<p><b><u>International Standards Alignment:</u></b></p> <ul style="list-style-type: none"> <li>• Continuously align LACPA's standards with international best practices through the Secretary General's role in the IPAE and the technical advisor's contributions.</li> <li>• Monitor global developments in accountancy education and integrate relevant updates into LACPA's programs and examinations.</li> </ul>	Ongoing	LACPA Technical Training Institute and LACPA Secretary General	LACPA Technical Training Institute and LACPA Secretary General
22.	Current	<p><b><u>Member Engagement:</u></b></p> <ul style="list-style-type: none"> <li>• Foster a culture of continuous improvement and professional growth among LACPA members.</li> <li>• Provide platforms for members to share their experiences, challenges, and successes in adhering to professional standards.</li> </ul>	Ongoing	LACPA Board	LACPA Board

### **Self-Assessment Against Main Requirements of International Education Standards (IESs)**

The approach for establishing requirements for and provision of accountancy education varies between jurisdictions, with multiple stakeholders involved in the process. These stakeholders may include Universities, Ministries of Education, National Education Accreditation Bodies, Government, Regulators, Professional Accountancy Organizations, among others.

Although not all IFAC member organizations are directly involved in all stages of educating accountancy professionals, as member organizations of IFAC, they must [fulfill or demonstrate plans](#) to fulfill [IFAC Statement of Membership Obligation 2](#), which requires PAOs to adopt or support the adoption and implementation of [International Education Standards \(IESs\)](#) and be the main driving force behind the ongoing, sustainable adoption of IESs in their jurisdictions.

Where the IFAC member body has no authority or shared authority for establishing and/or provision of education for a category of professional accountant<sup>3</sup>, the IFAC member body should identify those IES that are appropriate to the professional accountant roles performed by their members and assume the appropriate set of actions to incorporate the requirements of IESs.

For other IESs, IFAC member organization should encourage those responsible to implement the requirements of the IESs into relevant laws, regulations, or other legal instruments.

This checklist is intended to assist PAOs, in:

- ✓ **facilitating a high-level assessment** of the educational requirements for professional accountants in their jurisdictions against the IESs, with a view to further develop roadmaps for IES adoption, thus bringing the quality of professional education in their jurisdiction to an internationally recognized benchmark;
- ✓ **raising awareness about IESs and their requirements** among stakeholders as a set of high quality, internationally accepted standards that establish accountancy education principles for life-long learning of professional accountants, and assisting the stakeholders in understanding how the IES requirements should be incorporated; and
- ✓ **assisting** private- and public-sector stakeholders to collaborate on roadmaps to implement IESs.

**This checklist supplements the detailed requirements, guidance materials and good practice advice for IES practical implementation contained in the [Accountancy Education E-Tool](#) developed by IFAC.**

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<sup>3</sup> A professional accountant as an individual who achieves, demonstrates, and further develops professional competence to perform a role in the accountancy profession and who is required to comply with a code of ethics as directed by a professional accountancy organization or a licensing authority. Professional accountants may play a variety of roles such as a public sector role, an accounting technician role, professional accountants in business (PAIB) role, taxation specialist, management accountant, auditor, or other.

IES Requirements	Category of Professional Accountant <sup>4</sup>	Authorized Entity	Yes	No	Partially	Comments
<p><b><u>IES 1, Entry Requirements to Professional Accounting Education Programs</u></b></p> <p><b>Effective:</b> January 1, 2021</p> <p><b>Objective:</b> To establish educational entry requirements to professional accounting education programs that are fair, proportionate, and protect the public interest.</p>						
Educational entry requirements for professional accounting education programs that will allow entrance only to those with a reasonable chance of successfully completing the professional accounting education program, while not representing excessive barriers to entry, are specified.	Category (Aspiring Auditors)	LACPA Admission Committee	Y			The IPD requirements for LCPAs include obtaining a Bachelor's degree in Business Administration, or its equivalent, with a minimum of three years of practical experience in an audit firm, or a Technical Superior Diploma in accounting, recognized by the Ministry of Technical and Vocational Education, with a minimum of five years of experience in an audit firm. Alternatively, if the candidate holds a CPA, CA, or Expertise Comptable (France), only one year of practical experience in an audit firm is required.
	Category (Non-member Accountants)	N/A		N		Currently LACPA does not have more than one Practicing category (External Auditors).

<sup>4</sup> Please complete for those categories of professional accountants that your members represent. For other categories, please work with other stakeholders in your jurisdiction to complete or to raise their awareness about the IES requirements. If gaps exist, please consider developing a plan to close the gaps within the context of the IFAC Member Compliance Program SMO Action Plan.

IES Requirements	Category of Professional Accountant <sup>4</sup>	Authorized Entity	Yes	No	Partially	Comments
The rationale for the principles to be used when setting educational entry requirements to stakeholders, including relevant education providers and individuals considering a career as a professional accountant is explained.	Category (Aspiring Auditors)	LACPA, Ministry of Education and Higher Education, Universities	Y			It is essential to establish clear educational entry requirements for candidates, particularly those holding a business degree, as a foundational step for the auditing profession. This will serve as the minimum educational criterion for developing a structured professional audit career path. By setting these standards, we can ensure that aspiring auditors are well-prepared and have a solid academic base to build their professional competencies and meet the demands of the industry.
	Category (Non-member Accountants)	N/A		N		Currently LACPA does not have more than one Practicing category (External Auditors).

IES Requirements	Category of Professional Accountant <sup>4</sup>	Authorized Entity	Yes	No	Partially	Comments
Relevant information is publicly available to help individuals assess their own chances of successfully completing a professional accounting education program.	Category (Aspiring Auditors)	LACPA University Liaison Committee	Y			All necessary information is published and readily available. Any additional details can be provided by LACPA, which has established a University Liaison Committee to enhance communication and keep stakeholders informed of updates to requirements. All information is established under Law No. 364 regulating the profession, as well as the internal bylaws and the code of ethics. Additionally, LACPA has signed MOUs with various universities to ensure alignment between academic programs and professional standards.
	Category (Non-member Accountants)	N/A		N		Currently LACPA does not have more than one Practicing category (External Auditors).

**IES 2, Initial Professional Development – Technical Competence**

**Effective:** January 1, 2021

**Objective:** To establish the technical competence that aspiring professional accountants need to develop and demonstrate by the end of IPD, in order to perform a role as a professional accountant.

IES Requirements	Category of Professional Accountant <sup>4</sup>	Authorized Entity	Yes	No	Partially	Comments
<p><i>Learning Outcomes for Technical Competence</i></p> <p>Learning outcomes for technical competence to be achieved by aspiring professional accountants by the end of IPD is prescribed These learning outcomes shall include those listed in <a href="#">IES 2</a>, Table A.</p>	Category (Aspiring Auditors)	LACPA, LACPA Technical Training Institute, Examination Committee	Y			LACPA is currently reviewing its training materials and educational programs to incorporate all relevant competencies, including Financial Reporting, Management Accounting, Business Laws, Regulations and Taxation, Audit and Assurance, Information Technology, and more.
	Category (Non-member Accountants)	N/A		N		Currently LACPA does not have more than one Practicing category (External Auditors).
<p><i>Review of Professional Accounting Education Programs</i></p> <p>Professional accounting education programs that are designed to achieve the learning outcomes in IES 2 are regularly reviewed and updated.</p>	Category (Aspiring Auditors)	LACPA Technical Training Institute, LACPA University Liaison Committee and Universities	Y			The LACPA University Liaison Committee has begun working with universities to review the current educational programs and promote compliance with IES 2. Additionally, the LACPA Technical Training Institute is delivering training sessions to further support the development of technical competencies.
	Category (Non-member Accountants)	N/A		N		Currently LACPA does not have more than one Practicing category (External Auditors).

IES Requirements	Category of Professional Accountant <sup>4</sup>	Authorized Entity	Yes	No	Partially	Comments
<p><i>Assessment of Technical Competence</i></p> <p>Appropriate assessment activities to assess the technical competence of aspiring professional accountants are established.</p>	Category (Aspiring Auditors)	LACPA, LACPA Technical Training Institute, Examination Committee	Y			The enrolled trainee undergoes two levels of assessment: one conducted during the training at the Technical Training Institute, and another requiring the trainee to sit for an examination set by the LACPA Board and approved by the Examination Committee. This examination consists of four parts: 1. Financial Reporting, 2. Management Accounting, 3. Business Laws, Regulations, and Taxation, and 4. Audit and Assurance. It is important to note that the LACPA Board is working to add a fifth part: Information Technology.
	Category (Non-member Accountants)	N/A		N		Currently LACPA does not have more than one Practicing category (External Auditors).

**IES 3, Initial Professional Development – Professional Skills**

**Effective:** January 1, 2021

**Objective:** To establish the professional skills that aspiring professional accountants need to develop and demonstrate by the end of IPD, in order to perform a role as a professional accountant.

IES Requirements	Category of Professional Accountant <sup>4</sup>	Authorized Entity	Yes	No	Partially	Comments
<p><i>Learning Outcomes for Professional Skills</i></p> <p>Learning outcomes for professional skills to be achieved by aspiring professional accountants by the end of IPD are prescribed. These learning outcomes shall include those listed in <a href="#">IES 3</a>: Table B.</p>	Category (Aspiring Auditors)	LACPA Technical Training Institute, Audit Practice	Y			LACPA is currently reviewing its training materials and educational programs to ensure that all relevant professional skills are incorporated, including analytical and critical thinking, communication, teamwork, time management, leadership, and adaptability. These skills are essential for aspiring professional accountants to achieve by the end of their IPD.
	Category (Non-member Accountants)	N/A		N		Currently LACPA does not have more than one Practicing category (External Auditors).
<p><i>Review of Professional Accounting Education Programs</i></p> <p>Professional accounting education programs that are designed to achieve the learning outcomes in IES 3 are regularly reviewed and updated.</p>	Category (Aspiring Auditors)	LACPA Technical Training Institute, LACPA University Liaison Committee and Universities	Y			LACPA is reviewing required skills based on updates from IFAC and local issues and update its training programs and inform universities where applicable.
	Category (Non-member Accountants)	N/A		N		Currently LACPA does not have more than one Practicing category (External Auditors).

IES Requirements	Category of Professional Accountant <sup>4</sup>	Authorized Entity	Yes	No	Partially	Comments
<p><i>Assessment of Professional Skills</i></p> <p>Appropriate assessment activities to assess the professional skills of aspiring professional accountants are established.</p>	Category (Aspiring Auditors)	LACPA, LACPA Technical Training Institute, Examination Committee	Y			The enrolled trainee undergoes two levels of assessment to evaluate their professional skills: one conducted during the training at the Technical Training Institute while attending the training, and another requiring the trainee to sit for an oral interview in front of the Examination Committee.
	Category (Non-member Accountants)	N/A		N		Currently LACPA does not have more than one Practicing category (External Auditors).

**IES 4, Initial Professional Development – Professional Values, Ethics, and Attitudes**

**Effective:** January 1, 2021

**Objective:** To establish the professional values, ethics, and attitudes that aspiring professional accountants need to develop and demonstrate by the end of IPD, in order to perform a role as a professional accountant.

IES Requirements	Category of Professional Accountant <sup>4</sup>	Authorized Entity	Yes	No	Partially	Comments
<p><i>Framework of Professional Values, Ethics, and Attitudes</i></p> <p>Through professional accounting education programs, a framework of professional values, ethics, and attitudes for aspiring professional accountants to (a) apply professional skepticism and exercise professional judgment, and (b) act in an ethical manner that is in the public interest is provided.</p>	Category (Aspiring Auditors)	LACPA, LACPA Technical Training Institute and LACPA Ethics Committee	Y			Through its professional accounting education programs, LACPA ensures that aspiring auditors are equipped with a strong framework of professional values, ethics, and attitudes. This framework emphasizes the application of professional skepticism and professional judgment, while promoting ethical conduct that prioritizes the public interest. By fostering these critical attributes, LACPA prepares aspiring auditors to uphold the integrity and trust essential to the profession.
	Category (Non-member Accountants)	N/A		N		Currently LACPA does not have more than one Practicing category (External Auditors).

IES Requirements	Category of Professional Accountant <sup>4</sup>	Authorized Entity	Yes	No	Partially	Comments
<p><i>Relevant Ethical Requirements</i></p> <p>Relevant ethical requirements throughout professional accounting education programs for aspiring professional accountants are integrated.</p>	Category (Aspiring Auditors)	LACPA, LACPA Technical Training Institute and LACPA Ethics Committee	Y			LACPA integrates relevant ethical requirements into all aspects of its professional accounting education programs for aspiring auditors. By embedding ethical principles throughout the curriculum, LACPA ensures that future professionals understand and adhere to the high ethical standards expected of them. This approach prepares aspiring auditors to consistently apply ethical considerations in their decision-making and professional conduct. Furthermore, LACPA requires its members to complete 3 CPD hours on ethics as part of their Continuing Professional Development (CPD) requirements.
	Category (Non-member Accountants)	N/A		N		Currently LACPA does not have more than one Practicing category (External Auditors).

IES Requirements	Category of Professional Accountant <sup>4</sup>	Authorized Entity	Yes	No	Partially	Comments
<p><i>Learning Outcomes for Professional Values, Ethics, and Attitudes</i></p> <p>Learning outcomes for professional values, ethics, and attitudes to be achieved by aspiring professional accountants by the end of IPD are prescribed. These learning outcomes shall include those listed in <a href="#">IES 4, Table C</a>.</p>	Category (Aspiring Auditors)	LACPA, LACPA Technical Training Institute and LACPA Ethics Committee	Y			LACPA ensures that its educational programs for aspiring auditors align with the learning outcomes for professional values, ethics, and attitudes. These outcomes are integrated into the curriculum to ensure that aspiring professionals develop the integrity, objectivity, and ethical behavior necessary for the accounting profession. By embedding these learning outcomes, LACPA guarantees that future auditors are well-equipped to meet the ethical demands of the profession by the end of their Initial Professional Development (IPD).
	Category (Non-member Accountants)	N/A		N		Currently LACPA does not have more than one Practicing category (External Auditors).

IES Requirements	Category of Professional Accountant <sup>4</sup>	Authorized Entity	Yes	No	Partially	Comments
<p><i>Review of Professional Accounting Education Programs</i></p> <p>Professional accounting education programs that are designed to achieve the learning outcomes in IES 4 are regularly reviewed and updated.</p>	Category (Aspiring Auditors)	LACPA, LACPA Technical Training Institute and LACPA Ethics Committee	Y			LACPA is committed to ensuring that its professional accounting education programs are regularly reviewed and updated to align with the learning outcomes specified in IES 4. This continuous review process guarantees that aspiring accountants receive the most relevant and up-to-date training in professional values, ethics, and attitudes, preparing them to meet the evolving demands of the profession. Additionally, the Ethics Committee is currently working in parallel on updating the Code of Ethics to ensure compliance with the IFAC Code of Ethics, 2024 version.
	Category (Non-member Accountants)	N/A		N		Currently LACPA does not have more than one Practicing category (External Auditors).

IES Requirements	Category of Professional Accountant <sup>4</sup>	Authorized Entity	Yes	No	Partially	Comments
<p><i>Reflective Activity</i></p> <p>Learning and development activities on professional values, ethics, and attitudes for aspiring professional accountants are designed to include reflective activity that is formalized and documented.</p>	Category (Aspiring Auditors)	LACPA, LACPA Technical Training Institute and LACPA Ethics Committee	Y			LACPA ensures that learning and development activities related to professional values, ethics, and attitudes include reflective activities that are formalized and documented. These reflective exercises encourage aspiring auditors to critically assess their ethical decision-making processes and professional behavior, fostering deeper understanding and continuous improvement in line with IES 4 standards.
	Category (Non-member Accountants)	N/A		N		Currently LACPA does not have more than one Practicing category (External Auditors).

IES Requirements	Category of Professional Accountant <sup>4</sup>	Authorized Entity	Yes	No	Partially	Comments
<p><i>Assessment of Professional Values, Ethics, and Attitudes</i></p> <p>Appropriate assessment activities to assess the professional values, ethics, and attitudes of aspiring professional accountants are established.</p>	Category (Aspiring Auditors)	LACPA, LACPA Technical Training Institute, Examination Committee	Y			LACPA has established comprehensive assessment activities to evaluate the professional values, ethics, and attitudes of aspiring auditors. In line with its commitment to ethical standards, LACPA is increasingly incorporating ethics-related cases into technical assessments, including areas such as Financial Reporting, Management Accounting, Audit and Assurance, and others. This approach ensures that aspiring auditors demonstrate both technical competence and the ethical integrity required by the profession, in accordance with IES 4.
	Category (Non-member Accountants)	N/A		N		Currently LACPA does not have more than one Practicing category (External Auditors).

**IES 5, Initial Professional Development – Practical Experience**

**Effective:** July 1, 2015

**Objective:** To establish the practical experience that is sufficient for aspiring professional accountants and needs to be completed by the end of IPD, in order to perform a role as a professional accountant.

IES Requirements	Category of Professional Accountant <sup>4</sup>	Authorized Entity	Yes	No	Partially	Comments
<p><i>Practical Experience</i></p> <p>Aspiring professional accountants are required to complete practical experience by the end of IPD.</p>	Category (Aspiring Auditors)	LACPA Board and Audit Firms	Y			LACPA requires aspiring auditors to complete practical experience as a critical component of their Initial Professional Development (IPD). This practical experience ensures that aspiring accountants not only acquire theoretical knowledge but also apply it in real-world professional settings. By emphasizing practical experience, LACPA ensures that future accountants are well-prepared to meet the challenges of the profession and demonstrate the necessary competencies by the end of their IPD, in accordance with IES 5.
	Category (Non-member Accountants)	N/A		N		Currently LACPA does not have more than one Practicing category (External Auditors).

IES Requirements	Category of Professional Accountant <sup>4</sup>	Authorized Entity	Yes	No	Partially	Comments
<p>Sufficient practical experience is required to enable aspiring professional accountants to demonstrate that they have gained the (a) technical competence, (b) professional skills, and (c) professional values, ethics, and attitudes necessary for performing a role of a professional accountant.</p>	<p>Category (Aspiring Auditors)</p>	<p>LACPA Board and Audit Firms</p>	<p>Y</p>			<p>LACPA mandates that aspiring auditors complete sufficient practical experience to ensure they acquire and demonstrate the essential competencies for their future roles. This experience is crucial for developing (a) technical competence, (b) professional skills, and (c) professional values, ethics, and attitudes. By integrating these components, LACPA ensures that aspiring auditors are fully equipped to meet the demands and responsibilities of the profession, in line with IES 5. According to LACPA bylaws, the trainee must submit to the LACPA Board, through the audit firm where he is doing his internship, a Training Report every six months. This report should include the professional tasks he has carried out during the specified period, whether in accounting, auditing, or consulting, and it should follow the format provided by the Board for this purpose.</p>
	<p>Category (Non-member Accountants)</p>	<p>N/A</p>		<p>N</p>		<p>Currently LACPA does not have more than one Practicing category (External Auditors).</p>

IES Requirements	Category of Professional Accountant <sup>4</sup>	Authorized Entity	Yes	No	Partially	Comments
<p>Preferred approach is established to measure practical experience using one of the following three approaches:</p> <ul style="list-style-type: none"> <li>✓ output-based;</li> <li>✓ input-based; or</li> <li>✓ a combination approach.</li> </ul>	Category (Aspiring Auditors)	LACPA Board and LACPA Technical Training Institute	Y			LACPA follows the input-based approach to measure practical experience, ensuring that aspiring auditors meet the required hours of training and engagement in relevant professional tasks. This approach tracks the time and effort spent in practical experience, providing a clear framework for assessing the development of technical skills and competencies.
	Category (Non-member Accountants)	N/A		N		Currently LACPA does not have more than one Practicing category (External Auditors).

IES Requirements	Category of Professional Accountant <sup>4</sup>	Authorized Entity	Yes	No	Partially	Comments
<p><i>Output-Based Approach</i></p> <p>For an output-based approach, aspiring professional accountants are required to demonstrate, using output measures, that they have obtained practical experience.</p>	Category (Aspiring Auditors)	LACPA Board and LACPA Technical Training Institute		N		LACPA has not yet adopted the output-based approach but recognizes its potential for providing a clearer measure of competency development through the demonstration of practical skills and outcomes. Currently, LACPA relies on the input-based approach; however, the output-based approach may be considered in future revisions to ensure aspiring auditors not only log required hours but also demonstrate specific competencies and results that align with international standards.
	Category (Non-member Accountants)	N/A		N		Currently LACPA does not have more than one Practicing category (External Auditors).

IES Requirements	Category of Professional Accountant <sup>4</sup>	Authorized Entity	Yes	No	Partially	Comments
<p><i>Input-Based Approach</i></p> <p>For an input-based approach aspiring professional accountants are required to demonstrate, using input measures, that they have obtained practical experience.</p>	Category (Aspiring Auditors)	LACPA Board and LACPA Technical Training Institute	Y			LACPA currently adopts the input-based approach, where aspiring professional accountants are required to meet a specified number of training hours and professional engagements. This method ensures that candidates gain sufficient exposure to practical tasks, allowing them to build their technical and professional skills over time. The input-based approach provides a structured framework to track the time and effort invested in gaining experience, which is aligned with LACPA's goal of developing well-rounded professionals.
	Category (Non-member Accountants)	N/A		N		Currently LACPA does not have more than one Practicing category (External Auditors).
<p><i>Combination Approach</i></p> <p>A combination of output- and input-based approaches complies with the output-based approach requirement and the input-based approach requirement, as applicable.</p>	Category (Aspiring Auditors)	LACPA Board and LACPA Technical Training Institute		N		A transition to this model may be considered in the future to further enhance the quality and relevance of practical experience assessments.
	Category (Non-member Accountants)	N/A		N		Currently LACPA does not have more than one Practicing category (External Auditors).

IES Requirements	Category of Professional Accountant <sup>4</sup>	Authorized Entity	Yes	No	Partially	Comments
<p><i>Practical Experience Supervision and Monitoring</i></p> <p>Practical experience of aspiring professional accountants is required to be conducted under the direction of a practical experience supervisor.</p>	Category (Aspiring Auditors)	LACPA Board and Audit Firms	Y			LACPA mandates that the practical experience of aspiring auditors be supervised by experienced, licensed auditors, as outlined in the profession's law and bylaws. Supervisors are responsible for ensuring that trainees engage in relevant tasks, meet the required training hours, and develop the necessary skills. This supervision process is essential for maintaining the integrity and quality of the practical experience, ensuring that aspiring auditors are adequately prepared for their professional responsibilities.
	Category (Non-member Accountants)	N/A		N		Currently LACPA does not have more than one Practicing category (External Auditors).

IES Requirements	Category of Professional Accountant <sup>4</sup>	Authorized Entity	Yes	No	Partially	Comments
<p>Practical experience of aspiring professional accountants is required to be recorded in a consistent form prescribed by the responsible body or, where applicable, a regulatory body, and is supported by verifiable evidence.</p>	Category (Aspiring Auditors)	LACPA Board and Audit Firms	Y			LACPA requires that the practical experience of aspiring auditors be recorded in a standardized form as prescribed by the association's regulations. This ensures consistency across submissions and allows for the accurate tracking of progress. The documentation must be supported by verifiable evidence, such as training logs, supervisor evaluations, and task completion records, to maintain transparency and ensure that the practical experience meets the required standards.
	Category (Non-member Accountants)	N/A		N		Currently LACPA does not have more than one Practicing category (External Auditors).
<p>The practical experience supervisor is required to undertake a periodic review of the records of practical experience of aspiring professional accountants.</p>	Category (Aspiring Auditors)	LACPA Board and Audit Firms	Y			LACPA requires practical experience supervisors to conduct periodic reviews. Regular feedback from supervisors allows for timely adjustments and helps aspiring auditors stay aligned with professional standards and expectations.
	Category (Non-member Accountants)	N/A		N		Currently LACPA does not have more than one Practicing category (External Auditors).

IES Requirements	Category of Professional Accountant <sup>4</sup>	Authorized Entity	Yes	No	Partially	Comments
Appropriate assessment activities are established to assess that sufficient practical experience has been completed by aspiring professional accountants.	Category (Aspiring Auditors)	LACPA Board and Audit Firms		N		Currently, LACPA does not have formal assessment activities in place to evaluate whether aspiring auditors have completed sufficient practical experience.
	Category (Non-member Accountants)	N/A		N		Currently LACPA does not have more than one Practicing category (External Auditors).
<p><b><u>IES 6. Initial Professional Development – Assessment of Professional Competence</u></b></p> <p><b>Effective:</b> July 1, 2015</p> <p><b>Objective:</b> To establish whether aspiring professional accountants have demonstrated an appropriate level of professional competence by the end of IPD in order to perform a role as a professional accountant.</p>						
<p><i>Formal Assessment of Professional Competence</i></p> <p>Whether aspiring professional accountants have achieved an appropriate level of professional competence by the end of IPD, drawing on the outcomes of a range of assessment activities that are undertaken during IPD, is formally assessed.</p>	Category (Aspiring Auditors)	LACPA Board and Independent Examination Committee	Y			LACPA conducts a formal exam at the end of the Initial Professional Development (IPD) to assess whether aspiring auditors have achieved the appropriate level of professional competence. The exam covers key areas such as Financial Reporting, Management Accounting, Business Laws, Regulations and Taxation, Audit and Assurance. LACPA is also working to expand the scope of the exam by incorporating Information Technology, ensuring that candidates are equipped with comprehensive, up-to-date competencies before certification.

IES Requirements	Category of Professional Accountant <sup>4</sup>	Authorized Entity	Yes	No	Partially	Comments
	Category (Non-member Accountants)	N/A		N		Currently LACPA does not have more than one Practicing category (External Auditors).
<p><i>Principles of Assessment</i></p> <p>Assessment activities that have high levels of reliability, validity, equity, transparency, and sufficiency within professional accounting education programs are designed.</p>	Category (Aspiring Auditors)	LACPA Board and Independent Examination Committee	Y			LACPA's assessment activities, including the formal exam, adhere to high standards of reliability, validity, equity, transparency, and sufficiency. These principles are upheld by the independent examination committee, which ensures the fairness and transparency of the assessment process. The exam covers essential areas such as Financial Reporting, Management Accounting, Business Laws, Regulations and Taxation, Audit and Assurance, and is continuously evolving to include new areas, like Information Technology, to ensure that candidates are thoroughly prepared for professional certification.
	Category (Non-member Accountants)	N/A		N		Currently LACPA does not have more than one Practicing category (External Auditors).

IES Requirements	Category of Professional Accountant <sup>4</sup>	Authorized Entity	Yes	No	Partially	Comments
<p><i>Verifiable Evidence</i></p> <p>The assessment of the professional competence of aspiring professional accountants is based on verifiable evidence.</p>	Category (Aspiring Auditors)	LACPA Board and Independent Examination Committee	Y			LACPA's assessment of the professional competence of aspiring accountants is based on verifiable evidence, which includes a formal exam and an interview conducted by the independent examination committee. This comprehensive approach ensures that candidates not only demonstrate their technical knowledge but also their professional competence through documented practical experience and direct evaluation by the committee.
	Category (Non-member Accountants)	N/A		N		Currently LACPA does not have more than one Practicing category (External Auditors).
<p><b><u>IES 7, Continuing Professional Development</u></b></p> <p><b>Effective:</b> January 1, 2020</p> <p><b>Objective:</b> To establish that professional accountants undertake relevant CPD to develop and maintain professional competence necessary to perform their role as a professional accountant.</p>						

IES Requirements	Category of Professional Accountant <sup>4</sup>	Authorized Entity	Yes	No	Partially	Comments
<p><i>CPD for Professional Accountants</i></p> <p>Professional accountants are required to undertake and record relevant CPD that develops and maintains professional competence necessary to perform their role as a professional accountant.</p>	Category (Practicing members)	LACPA, LACPA Technical Training Institute	Y			At LACPA, practicing members are required to complete at least 40 hours of CPD annually, as stipulated in the bylaws. The LACPA Technical Training Institute offers high-quality, professional technical training that contributes to fulfilling this requirement. Any CPD activities provided by external providers must be assessed and approved by the Institute. Additionally, professionals who deliver certification courses or teach at universities may have their CPD hours adjusted accordingly, ensuring the content aligns with the standards set by LACPA.
	Category (Non-member Accountants)	N/A		N		Currently LACPA does not have more than one Practicing category (External Auditors).

IES Requirements	Category of Professional Accountant <sup>4</sup>	Authorized Entity	Yes	No	Partially	Comments
<p><i>Promotion of, and Access to, CPD</i></p> <p>The importance of, and a commitment to, CPD and the development and maintenance of professional competence is promoted.</p>	Category (Practicing members)	LACPA, LACPA Technical Training Institute	Y			LACPA actively promotes the importance of CPD and its role in maintaining professional competence. By fostering a culture of continuous learning, LACPA ensures that its members are well-equipped to meet the evolving demands of the profession. LACPA Technical Training Institute emphasizes accessibility to CPD opportunities, encouraging participation in a variety of learning experiences that support ongoing professional development. This commitment highlights LACPA's dedication to upholding the highest standards in the profession and ensuring that members remain at the forefront of industry advancements.
	Category (Non-member Accountants)	N/A		N		Currently LACPA does not have more than one Practicing category (External Auditors).

IES Requirements	Category of Professional Accountant <sup>4</sup>	Authorized Entity	Yes	No	Partially	Comments
Access to CPD opportunities and resources to assist professional accountants in meeting their personal responsibility to undertake CPD that develops and maintains professional competence is facilitated.	Category (Practicing members)	LACPA, LACPA Technical Training Institute	Y			LACPA is committed to enhancing access to high-quality CPD opportunities for its members. In line with this commitment, LACPA will be signing an agreement with Becker Professional Development Corporation before the end of the year. This collaboration will further expand the range of CPD resources available to members, ensuring they have access to industry-leading content that supports their professional competence and development. This partnership demonstrates LACPA's dedication to providing valuable learning opportunities to help its members stay current and excel in their roles.
	Category (Non-member Accountants)	N/A		N		Currently LACPA does not have more than one Practicing category (External Auditors).

IES Requirements	Category of Professional Accountant <sup>4</sup>	Authorized Entity	Yes	No	Partially	Comments
<p><i>Measurement of CPD</i></p> <p>An approach to measurement of professional accountants' CPD using the output-based approach, input-based approach, or both is established.</p>	Category (Practicing members)	LACPA, LACPA Technical Training Institute	Y			At LACPA, a combination of both input-based and output-based approaches is used to measure CPD. The input-based approach ensures that members complete a minimum of 40 hours of CPD annually, as per the bylaws. In addition, LACPA's Technical Training Institute follows an output-based approach when assessing CPD activities provided by external providers. This ensures that not only the time spent is measured, but also the quality and relevance of the learning outcomes achieved, allowing for a more comprehensive evaluation of professional development. This dual approach supports the maintenance and enhancement of professional competence for all members.
	Category (Non-member Accountants)	N/A		N		Currently LACPA does not have more than one Practicing category (External Auditors).

IES Requirements	Category of Professional Accountant <sup>4</sup>	Authorized Entity	Yes	No	Partially	Comments
<p><i>Output-Based Approach</i></p> <p>Under an output-based approach, professional accountants are required to develop and maintain professional competence that is demonstrated by achieving learning outcomes relevant to performing their role as a professional accountant.</p>	Category (Practicing members)	LACPA, LACPA Technical Training Institute	Y			LACPA embraces the principles of the output-based approach by ensuring that professional competence is demonstrated through the achievement of relevant learning outcomes. This approach goes beyond merely tracking hours spent on CPD and instead focuses on the actual knowledge and skills gained. At LACPA, the Technical Training Institute plays a key role in assessing the CPD activities provided by external providers, ensuring that members develop the competencies necessary to perform their roles effectively. This outcome-oriented method guarantees that CPD is not just about participation, but about achieving meaningful, profession-enhancing results.
	Category (Non-member Accountants)	N/A		N		Currently LACPA does not have more than one Practicing category (External Auditors).

IES Requirements	Category of Professional Accountant <sup>4</sup>	Authorized Entity	Yes	No	Partially	Comments
<p><i>Input-Based Approach</i></p> <p>Under an input-based approach, professional accountants are required to develop and maintain professional competence that is demonstrated by completing a specified amount of learning and development activity relevant to performing their role as a professional accountant.</p>	<p>Category (Practicing members)</p>	<p>LACPA, LACPA Technical Training Institute</p>	<p>Y</p>			<p>LACPA currently follows the input-based approach to ensure that its members maintain and develop their competence. This approach requires members to complete a minimum of 40 hours of CPD annually, focusing on relevant learning activities that support their professional growth. By tracking the time spent on training and development, the input-based approach ensures that auditors engage in sufficient CPD to stay up-to-date with evolving standards and practices.</p>

IES Requirements	Category of Professional Accountant <sup>4</sup>	Authorized Entity	Yes	No	Partially	Comments
	Category (Non-member Accountants)	N/A		N		Currently LACPA does not have more than one Practicing category (External Auditors).
<p><i>Monitoring and Enforcement of CPD</i></p> <p>The nature and extent of verifiable evidence that professional accountants are required to maintain for CPD that has been undertaken is specified.</p>	Category (Practicing members)	LACPA, LACPA Technical Training Institute	Y			<p>At LACPA, clear guidelines are in place regarding the monitoring and enforcement of CPD to ensure accountability and compliance with professional development requirements. Members are required to maintain verifiable evidence of their CPD activities, including certificates, attendance records, and proof of completion for training sessions, seminars, or courses. This documentation must be readily available for review to demonstrate that the minimum annual CPD hours have been met. LACPA's system of monitoring also includes the assessment of external CPD activities to ensure they meet the association's standards, reinforcing the commitment to maintaining professional competence across the members. This structured approach ensures transparency and consistency in enforcing CPD obligations.</p>

IES Requirements	Category of Professional Accountant <sup>4</sup>	Authorized Entity	Yes	No	Partially	Comments
	Category (Non-member Accountants)	N/A		N		Currently LACPA does not have more than one Practicing category (External Auditors).
A systematic process to (a) monitor whether professional accountants meet the IFAC member body's CPD requirements, and (b) provide appropriate sanctions for failure to meet those requirements is established.	Category (Practicing members)	LACPA, LACPA Technical Training Institute	Y			LACPA has established a systematic process to ensure compliance with CPD requirements in alignment with IFAC standards. This process involves regular monitoring of members' CPD activities to verify that they meet the minimum annual hours and achieve relevant learning outcomes. In cases where members fail to meet these requirements, appropriate sanctions are in place. This may include issuing warnings or requiring corrective actions, such as making up for missing hours. Persistent non-compliance can result in more stringent measures, including referral to the disciplinary council. This structured approach ensures that members uphold the professional competence expected of them, while also providing accountability and transparency in enforcing CPD obligations.
	Category (Non-member Accountants)	N/A		N		Currently LACPA does not have more than one Practicing category (External Auditors).

IES Requirements	Category of Professional Accountant <sup>4</sup>	Authorized Entity	Yes	No	Partially	Comments
<p><b><u>IES 8. Professional Competence for Engagement Partners Responsible for Audits of Financial Statements</u></b></p> <p><b>Effective:</b> January 1, 2021</p> <p><b>Objective:</b> To establish the professional competence that professional accountants develop and maintain when performing the role of an Engagement Partner.</p>						
<p>Professional accountants performing the role of an Engagement Partner are required to develop and maintain professional competence that is demonstrated by the achievement of learning outcomes including, but not limited to, those listed in <a href="#">IES 7</a>, Table D.</p>	<p>Category (Practicing members as Engagement Partners)</p>	<p>LACPA, LACPA Technical Training Institute</p>	<p>Y</p>			<p>At LACPA, professional accountants in the role of an Engagement Partner are expected to consistently develop and maintain their professional competence. This is demonstrated through the achievement of key learning outcomes that ensure they are equipped with the necessary technical knowledge, leadership skills, and ethical standards required to effectively oversee audit engagements. These learning outcomes not only align with IES standards but also reflect a commitment to continuous improvement, particularly in light of evolving regulations such as ISQM 1, ISQM 2, and ISA 220. LACPA's dedicated workshops and technical training programs further support Engagement Partners in meeting these competence standards, ensuring they remain effective leaders in the audit profession.</p>

IES Requirements	Category of Professional Accountant <sup>4</sup>	Authorized Entity	Yes	No	Partially	Comments
	Category (Non-member Accountants)	N/A		N		Currently LACPA does not have more than one Practicing category (External Auditors).
Professional accountants performing the role of an Engagement Partner are required to undertake CPD that develops and maintains the professional competence required for this role.	Category (Practicing members as Engagement Partners)	LACPA, LACPA Technical Training Institute	Y			At LACPA, Engagement Partners are required to undertake ongoing Continuing Professional Development (CPD) that specifically enhances and maintains the professional competence needed for their crucial role. This CPD not only focuses on technical knowledge and compliance with regulatory standards, such as ISQM 1, ISQM 2, and ISA 220, but also on leadership and ethical responsibilities. LACPA's Technical Training Institute offers specialized CPD workshops tailored for Engagement Partners, covering areas such as IFRS, soft skills, and industry-specific knowledge.
	Category (Non-member Accountants)	N/A		N		Currently LACPA does not have more than one Practicing category (External Auditors).

**Action Plan Subject:** SMO 3–International Standards and Other Pronouncements Issued by the IAASB  
**Action Plan Objective:** Continue the Commitment to the implementation of ISA and other pronouncements issued by the IAASB

<b>Background:</b>					
<p>According to Ministerial Circular No. 742 of 2002, auditors in Lebanon are required to apply ISAs for all audits of financial statements of all entities. International Standards on Auditing (ISAs) have been adopted in Lebanon as issued by the International Auditing and Assurance Standards Board (IAASB). The Accountancy Profession Law of the Lebanese Association of Certified Public Accountants (LACPA), issued by Law No. 364 on 01/08/1994, Article 4, authorizes LACPA to formulate and propose accounting and auditing principles, as well as professional conduct rules, in accordance with international standards.</p> <p>As the regulatory body for the auditing profession in Lebanon, LACPA is committed to raising awareness about these standards and their application. The association continuously conducts training sessions for all members on ISAs and publishes articles to keep members informed about new developments and updates. LACPA ensures that members remain up to date with all new and revised standards. Concerning the learning outcomes for technical competence to be achieved by aspiring professional accountants by the end of IPD, one of the four required exams that the trainee must sit for is the Audit and Assurance paper, which is based on ISA standards. In line with its Continuing Professional Development (CPD) program, LACPA has launched a comprehensive training program focused on educating and training all members and trainees on ISAs to assist them with the implementation of these standards.</p> <p>To support the implementation of ISAs, LACPA has established a technical center of excellence to address queries and provide assistance on ISA-related matters. These efforts ensure that auditors in Lebanon remain current with international best practices, enhancing the quality and reliability of financial statement audits conducted in the country. In addition, an audit manual that incorporates a complete audit methodology in both English and Arabic, based on International Standards on Auditing (ISAs) for Small and Medium Practices (SMPs), has been developed, alongside workshops to support SMPs. These efforts ensure that auditors in Lebanon remain current with international best practices, enhancing the quality and reliability of financial statement audits conducted in the country.</p>					
#	Start Date	Actions	Completion Date	Responsibility	Resource
<i>Promoting Adoption</i>					
23.	Current	<p><b>Governmental Support:</b></p> <ul style="list-style-type: none"> <li>Leverage the governmental decision to adopt ISAs, ensuring alignment with IAASB standards.</li> </ul>	Ongoing	LACPA board and LACPA Technical Training Institute	LACPA Technical Training Institute

		<ul style="list-style-type: none"> <li>Highlight the requirement under Ministerial Circular No. 742 of 2002 for auditors to apply ISAs for all audits of financial statements.</li> </ul>			
24.	Current	<p><b>Awareness Campaigns:</b></p> <ul style="list-style-type: none"> <li>Conduct awareness campaigns to inform stakeholders about the adoption of ISAs.</li> <li>Publish articles and updates in LACPA's emagazine to educate members on the importance and benefits of ISAs.</li> </ul>	Ongoing	LACPA board and LACPA Technical Training Institute	LACPA Technical Training Institute
25.	Current	<p><b>Engagement with Members:</b></p> <ul style="list-style-type: none"> <li>Organize seminars, webinars, and workshops to discuss the adoption and application of ISAs.</li> <li>Develop marketing materials to promote the adoption of ISAs among members and the broader accounting community.</li> </ul>	Ongoing	LACPA board and LACPA Technical Training Institute	LACPA Technical Training Institute
<b>Supporting Implementation of the Standards</b>					
26.	Current	<p><b>Training Programs:</b></p> <ul style="list-style-type: none"> <li>Launch a comprehensive training program focused on educating and training members and trainees on ISAs.</li> <li>Conduct continuous training sessions to ensure all members are proficient in applying ISAs.</li> </ul>	Ongoing	LACPA board and LACPA Technical Training Institute	LACPA Technical Training Institute
27.	Current	<p><b>Resources and Guidance:</b></p> <ul style="list-style-type: none"> <li>Provide detailed guidance and resources, including manuals and case studies, to assist members in implementing ISAs.</li> <li>Established a technical center of excellence to address queries and provide assistance on ISA-related matters.</li> </ul>	Ongoing	LACPA board and LACPA Technical Training Institute and Technical Center of Excellence	LACPA Technical Training Institute and LACPA Technical Center of Excellence
28.	Current	<p><b>Dissemination of Standards:</b></p> <ul style="list-style-type: none"> <li>Regularly update members on new and revised ISAs through newsletters, emails, and the LACPA website.</li> </ul>	Ongoing	LACPA board and LACPA Technical Training Institute	LACPA Technical Training Institute

		<ul style="list-style-type: none"> <li>Ensure that the latest handbook and resources are available in multiple languages (English, French, Arabic) to facilitate understanding and application.</li> </ul>			
<i>Maintaining Ongoing Processes</i>					
29.	November 2024	<p><b>Continuous Improvement:</b></p> <ul style="list-style-type: none"> <li>Regularly review and update the training programs and resources based on feedback and emerging best practices.</li> <li>Encourage members to provide input on the implementation of ISAs to ensure continuous improvement.</li> <li>Engage reviewers through quality management programs based on ISA to ensure adherence to auditing standards and promote continuous improvement in audit practices.</li> </ul>	Ongoing	LACPA board and Training Committee	LACPA Technical Training Institute
30.	November 2024	<p><b>Ethics and Professional Conduct:</b></p> <ul style="list-style-type: none"> <li>Integrate ethical considerations and professional conduct rules in all ISA training programs to reinforce the importance of integrity in auditing practices.</li> <li>Highlight ethical dilemmas and provide practical solutions to maintain high ethical standards.</li> </ul>	Ongoing	LACPA board and Training Committee	LACPA Technical Training Institute, Ethics Committee
31.	November 2024	<p><b>International Standards Alignment:</b></p> <ul style="list-style-type: none"> <li>Maintain alignment with international best practices through active participation in IAASB activities and forums.</li> <li>Continuously monitor global developments in auditing standards and incorporate relevant updates into LACPA's programs and resources.</li> </ul>	Ongoing	LACPA board and Training Committee	LACPA Technical Training Institute
32.	November 2024	<p><b>Member Engagement:</b></p> <ul style="list-style-type: none"> <li>Foster a culture of continuous learning and professional development among LACPA members.</li> </ul>	Ongoing	LACPA board and Training Committee	LACPA Technical Training Institute

		<ul style="list-style-type: none"><li>• Provide platforms for members to share their experiences, challenges, and successes in applying ISAs.</li></ul>			
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**Action Plan Subject:** SMO 4–IESBA Code of Ethics for Professional Accountants  
**Action Plan Objective:** Spreading the Code of Ethics information for Professional Accountants, Trainees, Accountants in Private Sector, and Officials and Accountants in Public Sector

**Background:**

The Accountancy Profession Law No. 364 of 1994 grants authority to the Lebanese Association of Certified Public Accountants (LACPA) to set ethical requirements for Certified Professional Accountants. While the association has the power to issue a Code of Ethics for its members, it must be approved by the Ministry of Finance (MoF).

LACPA is currently drafting a new version of its Code of Ethics in accordance with the 2024 IFAC version. The last Code issued by LACPA was in 2006, which was aligned with the IESBA Code of Ethics at that time. Once LACPA secures the Ministry of Finance’s approval to adopt the current Code of Ethics, LACPA members will receive comprehensive support to ensure compliance.

To promote accessibility and transparency, LACPA plans to publish the latest handbook on its website in multiple languages, including English, French, and Arabic. This will ensure that all members have easy access to the updated ethical guidelines.

LACPA also recognizes the importance of continuous education and engagement to uphold ethical standards. Therefore, the association is planning to organize additional training sessions, discussions, workshops, and conferences on ethics. These initiatives aim to address and combat the high tolerance for unethical behavior that may be prevalent in the environment and culture.

By implementing these actions, LACPA will help its members remain focused, determined, and disciplined in adhering to ethical standards, thereby enhancing the integrity and reputation of the accountancy profession in Lebanon.

#	Start Date	Actions	Completion Date	Responsibility	Resource
<i>Promoting Adoption</i>					
33.	Current	<b>Develop and Publish Updated Code of Ethics:</b> <ul style="list-style-type: none"> <li>• Draft the new version of the Code of Ethics according to the 2024 IFAC version.</li> <li>• Secure approval from the Ministry of Finance for the new Code of Ethics.</li> <li>• Publish the updated handbook on the LACPA website in multiple languages (English, French, Arabic).</li> </ul>	January 2024	LACPA board, Ethics Committee and Ministry of Finance	Ethics Committee and Ministry of Finance
34.	Current	<b>Awareness and Engagement:</b> <ul style="list-style-type: none"> <li>• Conduct awareness campaigns to inform members about the new Code of Ethics and its importance.</li> </ul>	Ongoing	LACPA board, Ethics Committee and	Ethics Committee and Ministry of Finance

		<ul style="list-style-type: none"> <li>Develop marketing materials and communications to promote the ethical standards set by LACPA.</li> </ul>		Ministry of Finance	
<i>Supporting Implementation of the Standards</i>					
35.	November 2024	<b>Training and Capacity Building:</b> <ul style="list-style-type: none"> <li>Organize training sessions, workshops, and conferences on ethics for LACPA members.</li> <li>Provide resources and materials to support members in understanding and applying the Code of Ethics.</li> </ul>	Ongoing	LACPA board, LACPA Technical Training Institute and Ministry of Finance	LACPA Technical Training Institute and Ministry of Finance
36.	November 2024	<b>Practical Guidance:</b> <ul style="list-style-type: none"> <li>Develop practical guides and case studies to help members navigate ethical dilemmas.</li> <li>Establish a support system or helpdesk to address ethical queries and provide guidance.</li> </ul>	Ongoing	LACPA board, LACPA Technical Training Institute and Ministry of Finance	LACPA Technical Training Institute and Ministry of Finance
<i>Maintaining Ongoing Processes</i>					
37.	Current	<b>Continuous Improvement:</b> <ul style="list-style-type: none"> <li>Regularly review and update the Code of Ethics to reflect evolving international standards and best practices.</li> <li>Encourage feedback from members on the Code of Ethics and its implementation.</li> </ul>	Ongoing	LACPA board, Ethics Committee and Ministry of Finance	Ethics Committee and Ministry of Finance
38.	Current	<b>Ethics Promotion:</b> <ul style="list-style-type: none"> <li>Integrate ethics education into all professional development programs.</li> <li>Highlight ethical behavior through recognition programs and case studies in LACPA publications.</li> </ul>	Ongoing	LACPA board, LACPA Technical Training Institute and Ministry of Finance	LACPA Technical Training Institute and Ministry of Finance
39.	Current	<b>Sustainability and Institutionalization:</b> <ul style="list-style-type: none"> <li>Ensure that ethical standards are ingrained in the culture of LACPA and its members.</li> </ul>	Ongoing	LACPA board, Ethics Committee and Ministry of Finance	Ethics Committee and Ministry of Finance

		<ul style="list-style-type: none"><li>• Foster a community of practice focused on ethics through regular discussions and peer support.</li></ul>			
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**Action Plan Subject:** SMO 5–International Public Sector Accounting Standards and Other Pronouncements Issued by the IPSASB  
**Action Plan Objective:** Train and develop the professional resources capable of putting a practical transition plan to ensure compliance with IPSAS. Using IPSAS in the preparation of the financial statements and in maintaining the accounting records of the public sector as compared with the National budget

**Background:**

In 2015, LACPA took the initiative to promote awareness of the IPSAS application in Lebanon. A specialized three-day technical congress on IPSAS was arranged in collaboration with the Ministry of Finance and the IPSASB in June 2015. The target participants were senior and upper-level management of governmental departments as well as LACPA members. Following the congress, recommendations were issued by the Ministry of Finance, emphasizing the importance of IPSAS implementation.

Currently, LACPA is working on forming a committee comprising representatives from several regulatory bodies and LACPA. This committee's goal is to establish a comprehensive work plan to prepare the adequate ground for implementing IPSAS in Lebanon. This includes transitioning to IPSAS Cash Basis as an initial step before moving to IPSAS Accrual Basis.

The Ministry of Finance will be actively involved in this process, recognizing the importance of adopting international standards to enhance transparency, accountability, and financial management in the public sector. A key component of this initiative is the future amendment of the Lebanese Public Accounting Law to incorporate IPSAS. LACPA will work closely with governmental bodies to ensure this legal reform is achieved, thereby solidifying Lebanon's commitment to international public sector accounting standards. The transition to IPSAS Cash Basis represents a significant milestone, setting the stage for a more robust implementation of IPSAS Accrual Basis in the future. This phased approach aims to ensure a smooth and effective adoption of IPSAS, providing the necessary training and resources to government departments and LACPA members.

By promoting IPSAS, LACPA aims to align Lebanon's public sector accounting practices with international standards, improving financial reporting and fostering greater trust in public financial management. This initiative underscores LACPA's commitment to advancing the profession and supporting the country's broader economic and governance reforms.

#	Start Date	Actions	Completion Date	Responsibility	Resource
<i>Promoting Adoption</i>					
40.	March 2025	<p><b>Awareness Campaigns:</b></p> <ul style="list-style-type: none"> <li>Organize technical congresses and seminars, similar to the 2015 three-day congress, to raise awareness about the importance of IPSAS among government officials and LACPA members.</li> </ul>	December 2025	LACPA Board, LACPA Secretary General, Public Relations and Media Committee	LACPA Technical Training Institute, Universities, IPSASB, IOF, MOF, CBL, ABL, COA, NGOs promoting Transparency and Accountability

		<ul style="list-style-type: none"> <li>Develop and distribute educational materials, including brochures, online resources, and newsletters, to inform stakeholders about IPSAS and its benefits.</li> </ul>			
41.	January 2025	<p><b>Stakeholder Engagement:</b></p> <ul style="list-style-type: none"> <li>Form a committee with representatives from various regulatory bodies and LACPA to advocate for IPSAS adoption.</li> <li>Conduct regular meetings and consultations with key stakeholders, including government departments, to emphasize the importance of IPSAS implementation.</li> </ul>	December 2025	LACPA Board, LACPA Secretary General, Public Relations and Media Committee	LACPA Technical Training Institute, Universities, IPSASB, IOF, MOF, CBL, ABL, COA, NGOs promoting Transparency and Accountability
42.	January 2025	<p><b>International Collaboration:</b></p> <ul style="list-style-type: none"> <li>Collaborate with international bodies such as the IPSASB to align Lebanon's public sector accounting practices with global standards.</li> <li>Participate in international conferences and workshops to share experiences and gain insights into IPSAS adoption.</li> </ul>	December 2025	LACPA Board, LACPA Secretary General, Public Relations and Media Committee	LACPA Technical Training Institute, Universities, IPSASB, IOF, MOF, CBL, ABL, COA, NGOs promoting Transparency and Accountability
<b>Supporting Implementation of the Standards</b>					
43.	January 2025	<p><b>Phased Transition:</b></p> <ul style="list-style-type: none"> <li>Develop a comprehensive work plan for transitioning to IPSAS, starting with the adoption of IPSAS Cash Basis as an initial step.</li> <li>Provide a clear roadmap for moving from IPSAS Cash Basis to IPSAS Accrual Basis, ensuring a gradual and manageable implementation process.</li> </ul>	December 2025	LACPA Board, LACPA Secretary General, MOF	LACPA Technical Training Institute, Universities, IPSASB, IOF, MOF, CBL, ABL, COA, NGOs promoting Transparency and Accountability
44.	January 2025	<p><b>Training and Capacity Building:</b></p> <ul style="list-style-type: none"> <li>Offer training programs and workshops for senior and upper-level management of governmental departments and LACPA members to build their capacity in IPSAS.</li> <li>Develop online courses and certification programs to provide continuous learning opportunities for public sector accountants.</li> </ul>	December 2025	LACPA Board, LACPA Secretary General, MOF	LACPA Technical Training Institute, Universities, IPSASB, IOF, MOF, CBL, ABL, COA, NGOs promoting Transparency and Accountability

45.	January 2025	<p><b>Technical Assistance:</b></p> <ul style="list-style-type: none"> <li>• Provide technical assistance to government departments to support the implementation of IPSAS.</li> <li>• Establish a helpdesk or support team to address queries and provide guidance on IPSAS-related matters.</li> </ul>	December 2025	LACPA Board, LACPA Secretary General, MOF	LACPA Technical Training Institute, Universities, IPSASB, IOF, MOF, CBL, ABL, COA, NGOs promoting Transparency and Accountability
<i>Maintaining Ongoing Processes</i>					
46.	January 2025	<p><b>Continuous Improvement:</b></p> <ul style="list-style-type: none"> <li>• Update the IPSAS implementation plan regularly based on feedback and evolving international standards.</li> <li>• Encourage ongoing learning and development by providing access to the latest IPSAS resources and updates.</li> </ul>	December 2025	LACPA Board, LACPA Secretary General, MOF	LACPA Technical Training Institute, Universities, IPSASB, IOF, MOF, CBL, ABL, COA, NGOs promoting Transparency and Accountability
47.	January 2025	<p><b>Sustainability and Institutionalization:</b></p> <ul style="list-style-type: none"> <li>• Ensure that the committee formed for IPSAS implementation continues to function effectively, with regular meetings and updates.</li> <li>• Institutionalize IPSAS within government departments by integrating IPSAS training into their regular training programs and performance evaluations.</li> </ul>	December 2025	LACPA Board, LACPA Secretary General, MOF	LACPA Technical Training Institute, Universities, IPSASB, IOF, MOF, CBL, ABL, COA, NGOs promoting Transparency and Accountability
48.	January 2025	<p><b>Reporting and Transparency:</b></p> <ul style="list-style-type: none"> <li>• Promote the importance of transparent financial reporting by encouraging government departments to publish their financial statements in accordance with IPSAS.</li> <li>• Develop guidelines and templates to assist departments in preparing IPSAS-compliant financial reports.</li> </ul>	December 2025	LACPA Board, LACPA Secretary General, MOF	LACPA Technical Training Institute, Universities, IPSASB, IOF, MOF, CBL, ABL, COA, NGOs promoting Transparency and Accountability

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

**Action Plan Objective:** Adjust expectations regarding compliance with SMO 6 and Disciplinary procedures stated in Chapter III of Law 364

**Background:**

The Lebanese Association of Certified Public Accountants (LACPA), through the Accountancy Profession Law No. 364 of 1994 Chapter III established the rules and procedures for an investigative and disciplinary system of the association. All CPAs must be licensed and registered members of LACPA, and therefore, its system applies to all professional accountants.

The following outlines the process for handling investigation and disciplinary cases according to Law No. 364:

**Receiving the Complaint:** Complaints are received at the LACPA President’s Office and are intended to be confidential to avoid any misinformation about a member. Upon receipt, the President has the authority to question the complaint and gather additional information before presenting it to the LACPA Board.

**Investigation:** Once the LACPA Board discusses the matter, they can decide to have the President or another designated member question both parties, starting with the complainant and then the member subject to the complaint. The questioning occurs in the presence of another LACPA Board member who documents the proceedings.

**Disciplinary Board:** The investigation results are reviewed by the LACPA Board, which decides whether to table the matter or refer it to the Disciplinary Board. The President convenes the Disciplinary Board, presenting all relevant data and information. The Board then questions the member subject to the complaint, allowing them to have a lawyer present. After collecting evidence and deliberating, the Board decides if the member is guilty. If found guilty, a formal decision is made regarding the level of sanction, as specified by LACPA’s bylaws. The member has the right to appeal the decision in court. The final decision is published, and the member must abide by it.

Moving forward, the LACPA Board is committed to enhancing the investigative and disciplinary system by establishing a dedicated committee to draft updated policies and procedures. These policies will align with best governance practices, ensuring a clear and robust framework for addressing disciplinary matters. The Board will also focus on setting a strong tone at the top, with the President, as the head of the Disciplinary Board, taking a firm stance on enforcing the law. Violations will be referred to the appropriate authorities, and the internal bylaws will be regularly updated to reflect evolving professional standards, ensuring accountability and the continuous development of the profession.

#	Start Date	Actions	Completion Date	Responsibility	Resource
<i>Promoting Adoption</i>					
49.	November 2024	<p><b>Awareness Campaigns:</b></p> <ul style="list-style-type: none"> <li>Launch specialized seminars on Chapter III of the LACPA Law and a compliance seminar on SMO 6 to explain the law, its requirements, and the LACPA Board’s</li> </ul>	February 2025	LACPA Board	LACPA President, LACPA lawyers, LACPA Disciplinary Board, LACPA Ethics Committee

		<p>commitment to IFAC's Statement of Membership Obligations #6.</p> <ul style="list-style-type: none"> <li>• Conduct awareness campaigns to inform members and the public about the investigation and disciplinary processes.</li> </ul>			
50.	Current	<p><b>Communication and Transparency:</b></p> <ul style="list-style-type: none"> <li>• Maintain clear and accessible communication channels for submitting complaints and inquiries regarding the disciplinary process.</li> <li>• Regularly update the LACPA website with information on the disciplinary system and any changes or updates to the process.</li> </ul>	Ongoing	LACPA Board	LACPA Board members, LACPA lawyers, LACPA Disciplinary Board, LACPA Ethics Committee
<b>Supporting Implementation of the Standards</b>					
51.	November 2024	<p><b>Training Programs:</b></p> <ul style="list-style-type: none"> <li>• Launch training programs focused on educating members about their professional conduct obligations and the disciplinary process.</li> <li>• Conduct continuous training sessions to ensure all members are aware of and understand the investigation and disciplinary procedures.</li> </ul>	Ongoing	LACPA Board	LACPA Board members, LACPA lawyers, LACPA Disciplinary Board, LACPA, Ethics Committee, LACPA Technical Training Institute
52.	January 2025	<p><b>Resources and Guidance:</b></p> <ul style="list-style-type: none"> <li>• Provide detailed guidelines and resources on the disciplinary process, including how to file a complaint, what to expect during an investigation, and the rights and obligations of members.</li> <li>• Develop a handbook on professional conduct and disciplinary procedures, titled " Rights and Duties of the Auditor ", to be distributed to all members.</li> </ul>	April 2025	LACPA Board	LACPA Board members, LACPA lawyers, LACPA Disciplinary Board, LACPA, Ethics Committee, LACPA Technical Training Institute
53.	November 2024	<p><b>Operational Support:</b></p> <ul style="list-style-type: none"> <li>• Continue providing adequate technical, administrative, and financial support to the Disciplinary Board to ensure its independent and effective functioning.</li> <li>• Develop procedures and processes for a disciplinary system consistent with the LACPA Law, including the</li> </ul>	December 2024	LACPA Board	LACPA Board members, LACPA lawyers, LACPA Disciplinary Board, LACPA, Ethics Committee, LACPA Technical Training Institute

		establishment of a Complaints Box, a Confidential Case Register, and other applicable procedures within the framework of the disciplinary process.			
<i>Maintaining Ongoing Processes</i>					
54.	July 2025	<p><b>Monitoring and Compliance:</b></p> <ul style="list-style-type: none"> <li>Implement a system to monitor compliance with professional conduct standards among members, with documentation included as part of the detailed disciplinary policy and procedures.</li> <li>Establish periodic reviews to assess the effectiveness of the disciplinary process and make necessary improvements.</li> </ul>	Ongoing	LACPA Board	LACPA Board members, LACPA lawyers, LACPA Disciplinary Board, LACPA, Ethics Committee, LACPA Technical Training Institute
55.	Current	<p><b>Continuous Improvement:</b></p> <ul style="list-style-type: none"> <li>Regularly review and update the investigation and disciplinary procedures to ensure they remain effective and aligned with international best practices.</li> <li>Encourage feedback from members and stakeholders on the disciplinary process to facilitate continuous improvement.</li> </ul>	Ongoing	LACPA Board	LACPA Board members, LACPA lawyers, LACPA Disciplinary Board, LACPA, Ethics Committee, LACPA Technical Training Institute
56.	Current	<p><b>Reporting and Transparency:</b></p> <ul style="list-style-type: none"> <li>Ensure transparency in the disciplinary process by publishing an annual report on the number and nature of complaints received, investigations conducted, and disciplinary actions taken.</li> <li>Provide anonymized case studies and summaries of disciplinary actions to help educate members on common issues and outcomes.</li> </ul>	December 2025	LACPA Board	LACPA Board members, LACPA lawyers, LACPA Disciplinary Board, LACPA, Ethics Committee, LACPA Technical Training Institute
57.	Current	<p><b>Support for Members:</b></p> <ul style="list-style-type: none"> <li>Provide counseling and support services to members involved in disciplinary proceedings, helping them understand the process and their rights.</li> <li>Amend Article 39 of Law No. 364 to ensure that auditors cannot be prosecuted for acts related to their professional duties without prior authorization from the</li> </ul>	Ongoing	LACPA Board	LACPA Board members, LACPA lawyers, LACPA Disciplinary Board, LACPA, Ethics Committee, LACPA Technical Training Institute

		Professional Investigation Authority. This hybrid authority, composed of legal and financial experts, has the exclusive right to determine whether the act is related to the profession.			
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Requirements	Y	N	Partially	Comments
<b>Scope of the System</b>				
1. A system of investigation, discipline and appeals exists for the accountancy profession. The system is operational.	Y			The system is established under Chapter III of the Accountancy Profession Law No. 364 of 1994.
2. Information about the types of misconduct which may bring about investigative actions is publicly available.	Y			The laws are the source of these types of misconduct as well as Law of LACPA and the Code of Ethics that is still indicated in the law, the international standards and anything that qualified as covered by the relevant Lebanese laws. All cases require clear and specific evidence present with in the case documents.
<b>Initiation of Proceedings</b>				
3. Both a “complaints-based” and an “information-based” approach are adopted.	Y			The process starts by receiving a complaint or by knowing something and starting the process by a member of the Board or the President.
4. Link with the results of QA reviews has been established.	Y			The Quality Reviews are based on the standards that LACPA members are required to comply with, and these standards will be explicitly incorporated into the updated internal bylaws of the Quality Assurance programs.

Requirements	Y	N	Partially	Comments
<p><b>Investigative Process</b></p> <p>5. A committee or similar body exists for performing investigations.</p>	Y			LACPA Board refers the violating member to the Disciplinary Board after conducting an investigation into the alleged violations, carried out by the President in conjunction with a member of the LACPA Board. Most of the time, the second person present in the investigation interviews with the President, is one of the two appointed members of LACPA board to the Disciplinary Board.
<p>6. Members of a committee are independent of the subject of the investigation and other related parties.</p>	Y			Every effort is made by the LACPA Board to ensure that the members involved in prosecuting are independent of the member under investigation.
<p><b>Disciplinary Process</b></p> <p>7. A separate disciplinary committee/entity exists to make disciplinary decisions on referrals from the investigation committee.</p>	Y			The Disciplinary Board is the specific body within LACPA with the authority to issue disciplinary decisions. Two members of the Disciplinary Board are elected by the General Assembly, while two others are selected by the LACPA Board. Although the President of the Disciplinary Board and two of its members are from the LACPA Board, the new policies and procedures for the disciplinary process will address all potential conflicts of interest. These policies will ensure that any conflicts, whether related to the President or any committee member are properly managed to maintain the integrity and independence of the process.
<p>8. Members of the committee/entity include professional accountants as well as non-accountants.</p>			Partially	Only professional members of LACPA are involved in the investigation and Disciplinary board actions.

<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.	Y			LACPA attempts to make sure that the Disciplinary board (tribunal) issuing the Decision about the case is independent.
<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.	Y			If a member of the association violates the duties of the profession or engages in actions that harm the honor and dignity of the profession, one of the following sanctions shall be applied: <ul style="list-style-type: none"> <li>- Warning.</li> <li>- Reprimand.</li> <li>- Suspension from practice for a period not exceeding one year.</li> <li>- Permanent suspension from practice.</li> </ul>
<b>Rights of Representation and Appeal</b> 11. A third appeals body exists which is separate from both the disciplinary committee and investigative committee.	Y			The State Council currently reviews appeals submitted against decisions. A proposal by LACPA has been sent to Parliament to amend Law No. 364, changing the reviewing authority from the State Council to the Civil Court of Appeals in Beirut, which handles cases related to syndicates.
<b>Administrative Processes</b> 12. Timeframe targets for disposal of all cases are set.	Y			The time frame is defined.
13. Tracking mechanisms to monitor progress in investigation and discipline and related procedures are established.	Y			The mechanisms are effective in monitoring progress.

Requirements	Y	N	Partially	Comments
14. Records of investigations and disciplinary processes are established.			<b>Partially</b>	Records of investigations and disciplinary processes are being established, as we have recently begun implementing a system to document these procedures comprehensively.
<b>Public Interest Considerations</b> 15. Activities are supported to ensure that the public is aware that an investigative and disciplinary system exists in the jurisdiction.	Y			Initiatives are in place to raise public awareness about the existence and functioning of the investigative and disciplinary system, ensuring transparency and trust in the profession. For example, a media campaign will be launched in collaboration with economic bodies to explain the role of the auditor and the potential sanctions that may be imposed in case of violations.
16. A process for the independent review of complaints on which there was no follow-up is established.		N		No follow-up process has been established, noting that it will be addressed in the policies and procedures bylaws of the investigation and discipline system.
17. The results of the investigative and disciplinary proceedings are made available to the public.			<b>Partially</b>	LACPA has started announcing the results of investigations and final decisions issued by the Disciplinary Board, without mentioning names, in accordance with Law No. 364 regulating the profession.
<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>Partially</b>	LACPA is coordinating with the Special Investigation Committee at the Central Bank of Lebanon concerning Law No. 44, which addresses money laundering and terrorist financing. Further liaison processes will be outlined in the policies and procedures bylaws of the investigation and discipline system.

Requirements	Y	N	Partially	Comments
<p><b>Regular Review of Implementation and Effectiveness</b></p> <p>19. Regular review of implementation and effectiveness of the system are performed, and corrective actions are implemented.</p>		<b>N</b>		LACPA Board is committed to enhancing the investigative and disciplinary system by establishing a dedicated committee to draft updated policies and procedures.

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

**Background:**

According to Ministerial Decisions 6258 of 1996 and 673/1 of 2001, financial reporting standards in Lebanon are adopted by the Ministry of Finance (MoF). Companies are required to prepare annual financial statements using the International Financial Reporting Standards (IFRS). The list of all applicable IFRS is published, and where differing interpretations exist, the official English version of IFRS should be referred to.

These decisions specify the types of entities required to use IFRS to prepare their financial statements. The entities required to use IFRS include: (1) all holding, offshore, limited liability, and joint stock companies, regardless of type, size, and number of employees; (2) all branches of foreign companies; and (3) all sole proprietorships and partnerships whose total number of employees exceeds 25 or that have annual turnover above \$500,000.

Given the current economic conditions, Lebanon has been classified as a hyperinflationary economy. This classification requires the application of specific International Accounting Standards (IAS) to ensure accurate financial reporting. IAS 21 - The Effects of Changes in Foreign Exchange Rates, and IAS 29 - Financial Reporting in Hyperinflationary Economies, are particularly relevant in this context.

Additionally, LACPA is also emphasizing the importance of sustainability reporting by promoting the adoption of IFRS S1 - General Requirements for Disclosure of Sustainability-related Financial Information, and IFRS S2 - Climate-related Disclosures. These standards are crucial for ensuring transparency and accountability in how companies report on their sustainability and climate-related impacts.

IAS 21 addresses the effects of changes in foreign exchange rates and requires financial statements to reflect these changes accurately. IAS 29 mandates the restatement of financial statements in hyperinflationary economies to ensure that the financial information remains useful. LACPA is committed to providing guidance and support to its members in applying these standards effectively.

Furthermore, LACPA has proposed to the Lebanese Ministry of Finance the issuance of directives to apply IFRS for SMEs to all Lebanese companies, as in principle, all Lebanese companies can be classified as small and medium-sized enterprises (SMEs), with certain exclusions. These exclusions include petroleum companies, banks, insurance companies, financial institutions, and other entities within the financial services sector, including companies involved in leasing, factoring, investment management, FinTech, and brokerage and securities.

By mandating the use of IFRS, relevant IAS for hyperinflationary conditions, and promoting sustainability-related standards such as IFRS S1 and IFRS S2, Lebanon ensures that its financial reporting standards are in line with international best practices. This promotes transparency, consistency, and comparability in financial statements, supporting the country's economic development and enhancing the confidence of investors and other stakeholders in the financial information provided by Lebanese companies.

#	Start Date	Actions	Completion Date	Responsibility	Resource
<i>Promoting Adoption</i>					
58.	Current	<p><b>Governmental Support:</b></p> <ul style="list-style-type: none"> <li>Emphasize the mandatory requirements under Ministerial Decisions 6258 of 1996 and 673/1 of 2001 for the adoption of IFRS and specific IAS such as IAS 21 and IAS 29.</li> <li>Ensure that the list of applicable IFRS and IAS is published and regularly updated.</li> </ul>	Ongoing	LACPA Technical Training Institute	LACPA Technical Training Institute
59.	Current	<p><b>Awareness Campaigns:</b></p> <ul style="list-style-type: none"> <li>Conduct awareness campaigns to inform stakeholders about the importance and benefits of adopting IAS/FRS.</li> <li>Publish articles and updates in LACPA's emagazine and other media outlets to educate members and the business community on these standards.</li> </ul>	Ongoing	LACPA Technical Training Institute	LACPA Technical Training Institute
60.	Current	<p><b>Stakeholder Engagement:</b></p> <ul style="list-style-type: none"> <li>Engage with key stakeholders, including the Ministry of Finance, to promote the adoption of IFRS and relevant IAS.</li> <li>Organize seminars, webinars, and workshops to discuss the adoption and application of IFRS especially IAS 21, and IAS 29.</li> </ul>	Ongoing	LACPA Technical Training Institute	LACPA Technical Training Institute
<i>Supporting Implementation of the Standards</i>					
61.	Current	<p><b>Training Programs:</b></p> <ul style="list-style-type: none"> <li>Launch and conduct comprehensive and continuous training programs focused on educating members and trainees on IAS/IFRS. These programs will ensure that all members and relevant entities are proficient in applying the standards and maintaining up-to-date knowledge through ongoing sessions.</li> <li>Provide targeted training on IAS 21 (The Effects of Changes in Foreign Exchange Rates) and IAS 29 (Financial Reporting in Hyperinflationary Economies) to</li> </ul>	Ongoing	LACPA Technical Training Institute	LACPA Technical Training Institute

		<p>help members and companies accurately apply these standards, particularly in Lebanon's hyperinflationary context.</p> <ul style="list-style-type: none"> <li>• Provide training on IFRS S1 (General Requirements for Disclosure of Sustainability-related Financial Information) and IFRS S2 (Climate-related Disclosures) to promote transparency and equip companies with the knowledge needed to disclose sustainability and climate-related impacts effectively.</li> <li>• Offer specialized training programs on IFRS for SMEs to ensure that companies classified as small and medium-sized enterprises (SMEs) are well-prepared to apply the relevant financial reporting standards.</li> </ul>			
62.	Current	<p><b>Resources and Guidance:</b></p> <ul style="list-style-type: none"> <li>• Provide detailed guidance and resources, including manuals, templates, and case studies, to assist members and companies in implementing IAS/IFRS.</li> <li>• Established a technical center of excellence to address queries and provide assistance on IAS/IFRS and related matters.</li> </ul>	Ongoing	LACPA Technical Training Institute	LACPA Technical Training Institute
63.	Current	<p><b>Practical Support:</b></p> <ul style="list-style-type: none"> <li>• Develop practical guides and case studies to help companies navigate the complexities of IFRS especially IAS 21, and IAS 29 implementation.</li> <li>• Provide clear guidance on the differences between full IFRS and IFRS for SMEs, ensuring that companies understand the specific requirements and simplifications available under IFRS for SMEs compared to the full IFRS standards.</li> </ul>	Ongoing	LACPA Technical Training Institute	LACPA Technical Training Institute
<i>Maintaining Ongoing Processes</i>					
64.	Current	<p><b>Continuous Improvement:</b></p> <ul style="list-style-type: none"> <li>• Regularly review and update training programs and resources based on feedback and emerging best practices in financial reporting.</li> </ul>	Ongoing	LACPA Technical Training Institute	LACPA Technical Training Institute

		<ul style="list-style-type: none"> <li>Encourage members and companies to provide input on the implementation of IAS/IFRS to ensure continuous improvement.</li> </ul>			
65.	Current	<p><b>Updates and Communication:</b></p> <ul style="list-style-type: none"> <li>Maintain an up-to-date list of applicable IAS/IFRS on the LACPA website.</li> <li>Communicate any changes or updates in IAS/IFRS promptly to all members and relevant entities.</li> </ul>	Ongoing	LACPA Technical Training Institute	LACPA Technical Training Institute
66.	Current	<p><b>International Standards Alignment:</b></p> <ul style="list-style-type: none"> <li>Continuously align Lebanon's financial reporting standards with international best practices through active participation in IFRS and IAS-related activities and forums.</li> <li>Monitor global developments in financial reporting standards and incorporate relevant updates into LACPA's programs and resources.</li> </ul>	Ongoing	LACPA Technical Training Institute	LACPA Technical Training Institute
67.	Current	<p><b>Member Engagement:</b></p> <ul style="list-style-type: none"> <li>Foster a culture of continuous learning and professional development among LACPA members.</li> <li>Provide platforms for members to share their experiences, challenges, and successes in applying IAS/IFRS.</li> </ul>	Ongoing	LACPA Technical Training Institute	LACPA Technical Training Institute