

BACKGROUND NOTE ON ACTION PLANS

Final Version by Board Council Members of LACPA November 9, 2023

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 adoption¹ and implementation² of international standards and other pronouncements issued by independent standard-setting boards under the auspices of IFAC as well as by the International Accounting Standards Board (IASB); and to establish a quality assurance (QA) review and investigation and disciplinary (I&D) systems. The SMOs are recognized as the international benchmarks for credible and high-quality PAOs that are focused on and have the necessary expertise to serve the public interest and meet the market demands of their respective jurisdictions.

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

Action Plans are designed to be **ever-green** documents that take into consideration IFAC recommendations. Depending on the PAO's level of fulfillment (see *IFAC's Summary Assessment* – page 2), an Action Plan may not be necessary for each SMO section and instead the *Attestation of Ongoing SMO Compliance*³ 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.

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

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

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ACTION PLAN
IFAC Member: Lebanese Association of Certified Public Accountants

Original Publish Date:

Last Updated:

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			

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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

- IFRS for SMEs** International Financial Reporting Standards for Small and Medium-Sized Entities
- IPSASB** International Public Sector Accounting Standards Board
- IPSASs** International Public Sector Accounting Standards
- ISAs** International Standards on Auditing

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Action Plan Subject: SMO 1–Quality Assurance
Action Plan Objective: To start the Peer Review implementation at a first stage

Background:

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

After approving and publishing Quality Control Manual, LACPA and based on the recommendations of the Quality Control Committee assigned to develop the above manual through its General Assembly 03/12/2013 amended its bylaws under article No 31 to establish two Committees, namely Quality Control Supervisory Commission and Quality Control Technical Committee.

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

The Association has conducted a series of events and activities in late 2014 and in 2015 to prepare for the implementation of the peer review process which included: production of an audit manual and related working papers for Small and Medium Practices (SMPs); workshops to support SMPs; identified international and local partners to provide financial support for the peer review program in the early years; selected and trained external quality assurance reviewers; in addition to hosting several technical workshops for its members trainees, and the business community.

Moreover, on November 4 and 5, 2015, a training workshop for the peer reviewers was conducted in Beirut, Lebanon. This training was organized in collaboration with the American institute of CPAs and offered by the AICPA team, for reviewers from Lebanon, Jordan and Egypt. The attendees were the adopted quality control reviewers by the LACPA, at the time. In 2013, the Lebanese Association of Certified Public Accountants (LACPA) amended its bylaws to establish the necessary mechanisms for a mandatory peer-review quality assurance review system for all CPAs, which by law must be members of LACPA. Implementation of the system is planned for Q4 2016 with a focus on a representative sample of listed and public companies. The LACPA reports that its quality control manual has been reviewed to ensure its compliance with the revised requirements of SMO 1 (2012).

LACPA member firms are asked to adopt ISQM 1 & ISQM 2. However, the implementation was delayed as funds were not available to complete the work as planned. Unfortunately, now all funds of LACPA remain blocked by the banks. Nevertheless, LACPA will attempt to start the program implementation as planned with the cooperation of firms that may benefit from the peer review and take the lead in Quality implementation.

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The Lebanese Association of Certified Public Accountants (LACPA) August 2023-25
Action Plan Developed by

#	Start Date	Actions	Completion Date	Responsibility	Resource
<i>Promoting Adoption</i>					
1.	2013	<ul style="list-style-type: none"> LACPA amended its bylaws to establish the necessary mechanism for a mandatory peer-review quality assurance review system for all CPAs, which by law must be members of LACPA 	2013	LACPA Board and relevant Committees	LACPA
2.	December 2023	<ul style="list-style-type: none"> LACPA reviewed the quality control manual to ensure compliance with revised requirements of SMO 1 – see checklist below for gaps identified. 	April 2024	LACPA Board and relevant Committees	LACPA
3.	December 2023	<p>The Law of LACPA imposes adoption of ISQM 1 and ISQM 2 and training was provided in the past. Additional training is planned for the next 6 months to get members updated, provides training to its members</p> <ul style="list-style-type: none"> Set up a workshop about SMOs, explaining to members of LACPA the obligations of LACPA and of the importance of being a member of IFAC. Set up another workshop to identify what LACPA has done so far regarding Quality Assurance, where we left off, what is the objective of LACPA, and what is the agreed upon plan to achieve the goal. LACPA to set criteria of small, medium, and large practice vis-à-vis Peer Review requirements. With identified concerned members, LACPA launch the five-volunteer program for each category who can help in funding the cost of the Peer Review. LACPA and the Peer Review Committee shall agree with the volunteers on the following: It is a three-years program at the most. Each firm with findings in the first year will get a confidential report in year 1. The firms will get a confidential report in year 2 with a rating from LACPA Peer Review. They should get a star in year 3 or a published rating by LACPA. In the event of non-compliance LACPA reserves the right to take appropriate action according to Peer Review Committee recommendations and LACPA board. The 	April 2024	LACPA Board and relevant Committees	LACPA
4.	November 2023	<ul style="list-style-type: none"> LACPA experienced members, IFAC, volunteers, and possibly support from the World Bank 	March 2024	LACPA Board and relevant committees	LACPA experienced members, IFAC, volunteers, and possibly support from the World Bank

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		rating criteria should be published before the Peer Review starts as a motivation to the firms. A report should be prepared to identify steps and progress in the file of SMO 1 at LACPA.			
5.	March 2023	<ul style="list-style-type: none"> Address gaps determined by the review of the manuals and updating the manuals, with the involvement and engagement of LACPA members. 	March 2024	LACPA Board and relevant committees	LACPA experienced members, IFAC, volunteers, and possibly support from the World Bank
6.	November 2023	<ul style="list-style-type: none"> Quality Review Standards session by Zoom for all members. Development of videos about quality assurance and the Peer Review system to be adopted by LACPA. Make videos available from the LACPA website or at the newly established Library of LACPA Make available the guides to Peer Review available at the Library. 	Continuous	Training Committees supervised by LACPA members	LACPA experienced members, IFAC, and possibly World Bank resources
Supporting Implementation of the Standards					
7.	April 2024	<ul style="list-style-type: none"> Encouraging firms to volunteer engaging the owners of firms from small, medium, and large size firms to learn from the process, and compete for the Stars of LACPA. Promote the Stars of LACPA by creating a list and publishing it on LACPA website Inviting people who go through the process to speak at LACPA workshops designed for the same size firms. Create support groups to help other firms learn from the experience and prepare themselves to avoid many findings and to prepare for volunteering. As is the process will drive firms from all sizes to work towards quality. 	Continuous	LACPA board, Training Committees supervised by LACPA members	Firms that go through the process, Training Committees, experienced LACPA members, possibly World Bank resources
Maintaining Ongoing Processes					
8.	2025	<ul style="list-style-type: none"> Hold an annual event to reward firms that do well and that help others and volunteer, and to honor and thank volunteer reviewers and influencers, and trainers, and participants that make the Quality Review program successful for LACPA members. 	Continuous with Annual Event	LACPA board, Training Committees supervised by	Firms that go through the process, awarded firms, Training Committees, experienced LACPA members, possibly World Bank resources

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	LACPA members
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Requirements	Y	N	Partially	Comments
Scope of the System 1. At a minimum, mandatory QA reviews are required for all audits of financial statements.	No			Selection from the volunteering practices of 5 of each size (small, medium, and large practice) firms for a total of 15 firms in the first year to start the quality review.
Quality Control Standards and Other Quality Control Guidance 2. Firms are required to implement a system of quality control in accordance with the quality control standards.			Partially	A type of classification required for the Quality Review may leave out audit firms that have very small clients with minimum risk or impact in their sector or the country.
3. Most up to date versions of ISQC 1 and other relevant ISA are adopted as the quality control standards.	Yes			Definitely the Quality Review is intended to encourage all firms to implement the relevant international standards.
4. Member Body assists firms in understanding the objectives of quality control and in implementing and maintaining appropriate systems of quality control.	Yes			It is part of the plan. This was missing in previous years and did not allow LACPA to reach its goals. It will be LACPA's duty to allow for such understanding and therefore engagement from the firms.
Review Cycle 5. A cycle-based, risk-based, or a mixed approach for selecting firms for QA review is used.	Yes			A mixed base approach is to be used. The emphasis is on risk-based approach is the target. But to encourage all firms to comply, LACPA is to include other firms volunteering and keep all firms on their toes and engagement.
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).	Yes			Definitely firms that are not risk based, shall expect to participate in the volunteering and helping others prepare so they don't feel dropped out of the program. They will be reviewed every 4 to 6 years depending on resources.
QA Review Team 7. Independence of the QA Team is assessed and documented.	Yes			This is a must of the success of the programs. Independence as well as no chance of competing with the firms that they are reviewing.

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Requirements	Y	N	Partially	Comments
8. QA Team possesses appropriate levels of expertise.	Yes			While several QA team members can be trained to do the review, they are expected to be of a certain level of expertise that cannot be less than qualified experts. Having trainers from Lebanon or other countries from AFAA (if on the level) or PAFA is a possibility.
Reporting 9. Documentation of evidence supporting the quality control review report is required.	Yes			This is a must. All findings have to be corroborated with evidence. Also reviewed firm should have written comments in reply to the findings put in the same review file. Inconsistencies to be resolved by a different QA team than the one who did the review.
10. A written report is issued upon conclusion of the QA review and provided to the firm/partner reviewed.	Yes			The feedback of the reviewed firm is necessary for progress.
Corrective and Disciplinary Actions 11. Reviewed firms/partners are required to make timely adjustments to meet recommendations from the review report.	Yes			Reviewed firms shall include in their comments actions that they plan to take and timeliness of such actions. They will be revisited for another review to verify if such actions are taken. They will be rated and given a second report. They will be given a published rating on their third review.
12. QA review system is linked to the investigation and discipline system.		No		To encourage the Quality Review, the system is intentionally not tied to the investigation and disciplinary system, until the third year for non-compliance with the international standards. Non-compliance with the laws of Lebanon is another issue that is dealt with outside the Quality Review program. Those who show this type of action or crime involvement are removed from the QA program and dealt with based on SMO6.

*Action Plan Developed by
The Lebanese Association of Certified Public Accountants (LACPA) August 2023-25*

Requirements	Y	N	Partially	Comments
Consideration of Public Oversight 13. The body responsible for QA reviews cooperates with its oversight body and shares information on the functioning of the QA review system, as needed.		No		This option is not available at this time and may be expensive where resources are very limited due to the block of funds of LACPA.
Regular Review of Implementation and Effectiveness 14. Regular reviews of implementation and effectiveness of the system are performed.	Yes			Annual reviews should be done and an annual report and rewards event or publication should take place.

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Action Plan Subject: SMO 2—International Education Standards for Professional Accountants and Other Pronouncements Issued by the IAES3
Action Plan Objective: Continue to Use Best Endeavors to Satisfy the Requirements of International Education Standards

Background:

The Accountancy Profession Act No. 364 of 1994 defines initial professional development (IPD) requirements for aspiring Certified Public Accountants (CPAs). The act requires all CPAs to be registered and licensed members of the Lebanese Association of Certified Public Accountants (LACPA) and grants the association the authority to establish continuing professional development (CPD) requirements for its members.

The IPD requirements for CPAs include a university degree in accounting, three to five years' experience supervised by a LACPA member, and successful completion of LACPA's professional examinations. The curricula for public universities are established by the Ministry of Higher Education. As for the private universities, curricula are approved by the Ministry of Higher Education. The full extent of fulfillment of the IPD requirements for CPAs of those of the IES has been done to show that most IPD requirements are fulfilled.

The LACPA requires CPAs to attend a minimum of 40 hours of CPD annually. The association monitors the fulfillment of CPD requirements by requiring members to submit evidence.

In October 2022, LACPA established a new University Committee (UC). The UC visited most universities in Lebanon offering IPD and CPD. A memorandum of understanding was signed between LACPA and the Universities to keep updating the curriculum to satisfy requirements of the profession. A gap analysis was started, and results will appear by the end of October to be discussed with the Universities motivating them for the necessary updates.

Several indicators though assure us that LACPA is on the level in fulfilling such requirements in general as many of LACPA members take the CPA exam or the ACCA exam and pass it. LACPA members used to have to travel to States of their choice in the US and to the UK to sit for these exams. However, a joint effort between LACPA and AMIDEAST Lebanon and Washington, led the AICPA to make the decision to include Lebanon among the countries where the CPA Exam can take place. Since it was announced by past President of LACPA Gina Chammas and By Past President of AMIDEAST Lebanon Barbara Batlouni, The AICPA conducts CPA exams for LACPA candidates in Lebanon from the AMIDEAST site downtown Beirut. Results are very encouraging and indicating an acceptable level of Education at the initiative stage.

Lebanese Candidates rely on the education they receive mostly at Lebanese Universities, and some take the CPA review courses made available in Lebanon, very much so like the ones used in the US for CPA candidates. Therefore, we believe that the IES are complied with. A gap analysis will be reported on by the University Committee in October 2023.

LACPA Board will ask them to compare to the IES based on the IES Checklist.

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#	Start Date	Actions	Completion Date	Responsibility	Resource
<i>Promoting Adoption</i>					
9.	October 2022	<ul style="list-style-type: none"> Starting October 2023, LACPA conducted a gap analysis of educational requirements and identified gaps that are being reviewed by the University Committee that was established in October 2022 to ensure proper compliance with IPD. Activities will be planned based on findings and LACPA may require financial assistance to be able to minimize the gap. 	October 2023	LACPA board, University Committee	LACPA Members, LACPA Universities, and possibly World Bank
10.	March 2023	<ul style="list-style-type: none"> Establish a new committee for university relations, to include members of LACPA who teach at universities Understand how universities work, their needs and mutual benefits with LACPA Identify mutual grounds to work and develop ideas and programs in the best interest of both universities and LACPA Identify most enthused universities to collaborate 	2023	LACPA board, University Committee	LACPA Members, LACPA Universities, and possibly World Bank
11.	March 2023	<ul style="list-style-type: none"> Improving the process of testing for LACPA examination and identify requirements for a successful examination Provide all needs for the Examination Committee Conduct the Examination, announce results, and learn from the process for more improvements (if any) Identify any educational deficiencies needed to be covered by LACPA training of trainees Identify any educational deficiencies to be communicated by the University Committee to be discussed with universities to improve educational requirements for entering the profession 	2023	LACPA board, LACPA Independent Examination Committee	LACPA, LACPA independent Examination Committee, Ministry of Justice, Ministry of Finance, Lebanese University, possibly the World Bank
<i>Supporting Implementation of the Standards</i>					
12.	January 2024	<ul style="list-style-type: none"> Review the current training provided at LACPA for trainees that include development of the following skills: Technical, professional, and Ethics Identify improvements needed and include any new training required based on updates issues by IEESSB. 	March 2024	LACPA board, Training Committee, Ethics Committee	LACPA, Training Committee, Ethics Committee, possibly the World Bank

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	<ul style="list-style-type: none"> • Provide Continuing Professional Education units that can be used to satisfy requirements at LACPA and outside LACPA • Set up a workshop for trainees and ensure that they are getting necessary practical skills on the job training. • Set up a confidential program where trainees identify the skills that they are acquiring from working with the practicing firm. • LACPA to assess the practical training given at the firms to the trainees. • LACPA to provide general feedback to the SMPs asking them to improve their trainee programs. • LACPA shall meet with relevant SMPs taking into consideration risk-based approach. • LACPA to meet with the large firms to provide them with feedback and asking for improvements. 		
Maintaining Ongoing Processes			
13.	<ul style="list-style-type: none"> • Incorporate the updates into the training material for trainees. • Monitor progress of all activities mentioned above for implementation. • Maintain communication program with trainees with the objective to graduate cohorts of high-quality professionals that can change the course of the profession and promote practice within a high integrity spirit, ethics, and professional discipline. • Include trainees in all programs related to SMOs and IFAC importance. 	Continuous	LACPA board, Training Committee, Ethics Committee LACPA, Training Committee, Ethics Committee, possibly the World Bank Committee

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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 accountant³, 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.

³ 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 specialists: management accountant, auditor, or other.

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IES Requirements	Category of Professional Accountant ⁴	Authorized Entity	Yes	No	Partially	Comments
IES 1. Entry Requirements to Professional Accounting Education Programs						
Effective: January 1, 2021						
Objective: To establish educational entry requirements to professional accounting education programs that are fair, proportionate, and protect the public interest.						
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 Applicant - Trainees	LACPA, Training Committee	Y			The law on auditing establishes the entry requirement of a university degree in economics, business, or accounting to enter its CA program
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.	N/A	N/A	N			Currently LACPA does not have more than one Practising category where the education level is required as per LACPA Law.
	Category Applicant - Trainees	Ministry of Higher Education, LACPA, Universities	Y			Required levels for comparable responsibilities around the globe where the profession is considered an important part of the economies.
	N/A	N/A	N			Currently LACPA does not have more than the one Practising category and the one Trainee Category where the education level is required as per LACPA Law.

⁴ 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

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IES Requirements	Category of Professional Accountant ⁴	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 Applicant - Trainees	LACPA, Universities	Y			All information needed is published and any additional information needed can be provided by LACPA, which established a university Committee to improve communication and update of requirements.
	Category 2 – non-member Accountants	N/A				Not LACPA role at this time
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.						
<i>Learning Outcomes for Technical Competence</i> 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 IES.2, Table A.	Category Applicant - Trainees	LACPA, Universities, Training Committee	Y			In collaboration with the firms that employ the trainees, LACPA needs to improve the quality of training on the job as well as in lectures or workshops.
	Category 2 – non-member Accountants	Other entities – Room for LACPA to step in				No one at this time is responsible for the Accounting profession at the private sector or public sector. This should be a new niche that LACPA considers. The world Bank may be able to help as current economic situation may not allow participation without funding.

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IES Requirements	Category of Professional Accountant ⁴	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 2 are regularly reviewed and updated.</p>	Category Applicant - Trainees	Universities, LACPA, Training Committees			Partially	LACPA started in 2023 a new approach by setting up a University liaison Committee which started working with Universities to review the current available educational programs to promote compliance with the IES1 and IES2.
	Category 2 – non-member Accountants	Other entities – Room for LACPA to step in		N		No one at this time is responsible for the Accounting profession at the private sector or public sector. This should be a new niche that LACPA considers. The world Bank may be able to help as current economic situation may not allow participation without funding.
<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 Applicant - Trainees	LACPA, Audit practice, Training Committees			Partially	It is important for LACPA to design an important Exam that test whether the Trainee acquired the skills required to practice safely and according to the international standards. The current arrangements and levels of professionalism used by the Exam Committee is assuring that such assessment is well done.
	Category 2 – non-member Accountants	Other entities – Room for LACPA to step in			Partially	LACPA could design a list of needed courses that cover the skills for non-auditors. Accountants who take these courses can take and Exam set up by LACPA and a get a certificate to prove

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Marwan Bou Bayan

IES Requirements	Category of Professional Accountant ⁴	Authorized Entity	Yes	No	Partially	Comments
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.						
<i>Learning Outcomes for Professional Skills</i> 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 IES 3: Table B.	Category Applicant - Trainees	LACPA, Training Committees, Audit Practice			Partially	LACPA should review required skills based on updates from IFAC and local issues and update its training programs
	Category 2 – non-member Accountants	Other entities – Room for LACPA to step in			Partially	An opportunity for LACPA to play this role, especially if funding is available from the World Bank or the stakeholders benefiting from such updates of education and skills.
<i>Review of Professional Accounting Education Programs</i> Professional accounting education programs that are designed to achieve the learning outcomes in IES 3 are regularly reviewed and updated.	Category Applicant - Trainees	LACPA, Training Committees, Universities			Partially	LACPA should review required skills based on updates from IFAC and local issues and update its training programs and inform universities where applicable.
	Category 2 – non-member Accountants	Other entities – Room for LACPA to step in			Partially	LACPA opportunity to step in and provide such training and update where needed especially when funding is made available.

Pierre R. Knoid
Council Secretary

IES Requirements	Category of Professional Accountant ⁴	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 Applicant - Trainees	LACPA, Exam Committee, Audit Practice			Partially	LACPA exam is well designed and will continue to improve year after year to stay updated and capture a good assessment of the level of professional skills of LACPA trainees.
	Category 2 – non-member Accountants	Other entities – Room for LACPA to step in			Partially	LACPA opportunity to step in and provide such training and update where needed especially when funding is made available.
<p>IES 4. Initial Professional Development – Professional Values, Ethics, and Attitudes</p> <p>Effective: January 1, 2021</p> <p>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.</p>						
<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 Trainees, and practicing and non-practicing members	LACPA, Training Committees, Universities, Audit Practice			Partially	The Code of Ethics should be a continuous course taken at LACPA and made available. The Ethics Committee has not been active enough in updating the members about the new changes.
	Category 2 – non-member Accountants	Other entities – Room for LACPA to step in			Partially	LACPA opportunity to step in and provide such training and update where needed especially when funding is made available. They can join LACPA training for its members. Ethics can be an important opportunity to gather trainees, practicing members and accountants throughout the country for both public and private

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Marwan Bou-Jayjan*

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IES Requirements	Category of Professional Accountant ⁴	Authorized Entity	Yes	No	Partially	Comments
<i>Relevant Ethical Requirements</i> Relevant ethical requirements throughout professional accounting education programs for aspiring professional accountants are integrated.	Category Applicant - Trainees				Partially	As the technical standards take over, most of the time integration is not easy to accomplish. It is possible to set specific dates and make it mandatory for Practitioners and trainees to take a minimum of CPEs on Ethics.
	Category 2 – non-member Accountants			N		LACPA can take opportunities as they come up, as described above. But cannot take the lead on this issue with non-members.
<i>Review of Professional Accounting Education Programs</i> Professional accounting education programs that are designed to achieve the learning outcomes in IES 4 are regularly reviewed and updated.	Category Trainees, and practicing and non-practicing members	LACPA, Training Committees, Universities, Ministry of Higher Education			Partially	LACPA is to review and identify additional updates and incorporate them in the learning program that it offers to trainees and members as well as non-practicing accountants. University committee is responsible to propose changes that should be discussed with universities to update their programs.
	Category Trainees, and practicing and				Partially	Such activities can be incorporated as part of the assessment. Results and write ups by the trainees and practicing members could be used as

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IES Requirements	Category of Professional Accountant ⁴	Authorized Entity	Yes	No	Partially	Comments
accountants are designed to include reflective activity that is formalized and documented.	non-practicing members					material for discussion that do not necessarily uncover the identity of the employer or employee in the reflective write up.
	N/A				N/A	
Assessment of Professional Values, Ethics, and Attitudes Appropriate assessment activities to assess the professional values, ethics, and attitudes of aspiring professional accountants are established.	Category Trainees, and practicing and non-practicing members	LACPA, Training Committees, Universities, Audit Practice			Partially	To ensure that the evaluations of the audit practice emphasize the importance of Ethical behavior and knowledge of Ethics. The trainees' Exam should include sufficient questions to allow for the proper assessment.
<p>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.</p>						
Practical Experience Aspiring professional accountants are required to complete practical experience by the end of IPD.	Category Trainees, and Practicing members	LACPA, Audit Practice	Y			A joint effort between LACPA and Audit Practices are strengthened and coordinated to ensure that the education is coupled with on-the-job practical training for future professionals to acquire skills needed.


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IES Requirements	Category of Professional Accountant ⁴	Authorized Entity	Yes	No	Partially	Comments
						Audit firms win having qualified auditors, and LACPA wins having good quality professional members. Clients win a good service.
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.	Category Trainees, and Practicing members	LACPA, Audit Practice			Partially	Continuous training, evaluations, and feedback, lead to good assessments of what can be made better. If we take care of the new professionals, we save the profession!
Preferred approach is established to measure practical experience using one of the following three approaches: <ul style="list-style-type: none"> ✓ output-based; ✓ input-based; or ✓ a combination approach. 	Category Trainees, and Practicing members	LACPA, Audit Practice	Y			A combination approach is the best to be used by LACP and the practice firms, to assess that the education acquired is being analyzed and that the professional is developing good judgement as they should.
Output-Based Approach For an output-based approach, aspiring professional accountants are required to demonstrate, using output measures, that they have obtained practical experience.	Category Trainees, and Practicing members	LACPA, Audit Practice			Partially	The practical experience that they demonstrate can be partly copied from what their colleagues did before without analyzing. Instead, they may be anchored by those teaching and working with them.


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IES Requirements	Category of Professional Accountant ⁴	Authorized Entity	Yes	No	Partially	Comments
<i>Input-Based Approach</i> For an input-based approach aspiring professional accountants are required to demonstrate, using input measures, that they have obtained practical experience.	Category Trainees, and Practicing members	LACPA, Audit Practice			Partially	The Input-based approach may not prove to what extent the professional is able to make decisions in identifying risk areas and what actions to take.
<i>Combination Approach</i> A combination of output- and input-based approaches complies with the output-based approach requirement and the input-based approach requirement, as applicable.	Category Trainees, and Practicing members	LACPA, Audit Practice	Y			The combination is the best approach for our professionals to show that they are able to understand the decisions made independently from others and based on the experienced combined with the education that they worked so hard to acquire.
<i>Practical Experience Supervision and Monitoring</i> Practical experience of aspiring professional accountants is required to be conducted under the direction of a practical experience supervisor.	Category Trainees, and Practicing members	LACPA, Audit Practice	Y			Monitoring and supervision is crucial for the proper development of the professional in their early years. There is not a way to currently assess how well this is being provided to the trainee. But the Quality Review program will help shed a light on that.
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.	Category Trainees, and Practicing members	LACPA, Audit Practice	Y			The Documentation of such experience is well done at the level of LACPA with the attestation of the practicing member and the trainee. To avoid any misinformation, the employer can be asked to complete

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IES Requirements	Category of Professional Accountant ⁴	Authorized Entity	Yes	No	Partially	Comments
						the form and the trainee can be asked to complete a form at the site of LACPA to compare results and verify level of experience acquired. It may be time consuming but a good deterrent not to complete the practical experience properly.
The practical experience supervisor is required to undertake a periodic review of the records of practical experience of aspiring professional accountants.	Category Trainees, and Practicing members	LACPA, Audit Practice	Y			Conducting periodic reviews of record is a possible way to continue checking on the progress and development of the Trainees of LACPA.
Appropriate assessment activities are established to assess that sufficient practical experience has been completed by aspiring professional accountants.	Category Trainees, and Practicing members	LACPA, Audit Practice	Y			Yes, The Exam of LACPA is considered a well-prepared exam that can assess required skills. Additional emphasis on auditing can be increased at the Exam level.
IES 6. Initial Professional Development – Assessment of Professional Competence						
Effective: July 1, 2015						
Objective: 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.						
Formal Assessment of Professional Competence	Category	LACPA, Audit Practice	Y			Yes, The Exam of LACPA is considered a well-prepared exam that can assess required skills. Additional

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IES Requirements	Category of Professional Accountant ⁴	Authorized Entity	Yes	No	Partially	Comments
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.	Trainees, and Practicing members					emphasis on auditing can be increased at the Exam level.
<i>Principles of Assessment</i> Assessment activities that have high levels of reliability, validity, equity, transparency, and sufficiency within professional accounting education programs are designed.	Category Trainees, and Practicing members	LACPA, Audit Practice	Y			Yes, The Exam of LACPA is considered a well-prepared exam that can assess required skills. Additional emphasis on auditing can be increased at the Exam level.
<i>Verifiable Evidence</i> The assessment of the professional competence of aspiring professional accountants is based on verifiable evidence.	Category Trainees, and Practicing members	LACPA, Audit Practice	Y			Yes, The Exam of LACPA is considered a well-prepared exam that can assess required skills. Additional emphasis on auditing can be increased at the Exam level. And In addition, the document signed by both parties that the practical experience requirements were properly fulfilled.

IES 7. Continuing Professional Development

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IES Requirements	Category of Professional Accountant ⁴	Authorized Entity	Yes	No	Partially	Comments
<p>Effective: January 1, 2020</p> <p>Objective: To establish that professional accountants undertake relevant CPD to develop and maintain professional competence necessary to perform their role as a professional accountant.</p>						
<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>	<p>Category Practicing members</p> <p>Category 2 – non-member Accountants</p>	<p>LACPA, Audit Practice, Training Committees</p> <p>Other entities – Room for LACPA to step in</p>	<p>Y</p>		<p>Partially</p>	<p>LACPA practicing members have a mandate to obtain CPD hours from several resources. Exemptions are given to those who are professors or instructors at universities besides their practice. Others should abide by the rules.</p> <p>An opportunity for LACPA to open GDP activities to accountants who are non-members.</p> <p>LACPA offers CDP sessions and units very actively. 2023 was one of the best years for such opportunities. While, due to the issues facing the country, most of the sessions had to deal with impact of the currency changes and changing taxes and inflation, next year is expected to include ethics and ISA, and SARS, and IFRS, and IPSAS.</p>
<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>	<p>Category Practicing members</p>	<p>LACPA, Audit Practice, Training Committees</p>	<p>Y</p>			<p>LACPA offers CDP sessions and units very actively. 2023 was one of the best years for such opportunities. While, due to the issues facing the</p>
<p>Access to CPD opportunities and resources to assist professional accountants in meeting their personal</p>	<p>Category Practicing members</p>	<p>LACPA, Audit Practice,</p>	<p>Y</p>			<p>LACPA offers CDP sessions and units very actively. 2023 was one of the best years for such opportunities. While, due to the issues facing the</p>

Council Secretary
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IES Requirements	Category of Professional Accountant ⁴	Authorized Entity	Yes	No	Partially	Comments
responsibility to undertake CPD that develops and maintains professional competence is facilitated.		Training Committees				country, most of the sessions had to deal with impact of the currency changes and changing taxes and inflation. Access was available to all those who registered on time and even after in some cases in an attempt to accommodate as many as possible. Also, other sources of CDP were considered and accepted, based on the request of the professional members.
Measurement of CPD. An approach to measurement of professional accountants' CPD using the output-based approach, input-based approach, or both is established.	Category Practicing members	LACPA, Audit Practice, Training Committees	Y			The system is established at LACPA and used with continuous review and improvement.
Output-Based Approach 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.	Category Practicing members	LACPA, Audit Practice, Training Committees	Y			The system is established at LACPA and used with continuous review and improvement.
Input-Based Approach Under an input-based approach, professional accountants are required to develop and maintain	Category Practicing members	LACPA, Audit Practice, Training Committees	Y			The system is established at LACPA and used with continuous review and improvement.

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IES Requirements	Category of Professional Accountant ⁴	Authorized Entity	Yes	No	Partially	Comments
professional competence that is demonstrated by completing a specified amount of learning and development activity relevant to performing their role as a professional accountant.						
Monitoring and Enforcement of CPD. The nature and extent of verifiable evidence that professional accountants are required to maintain for CPD that has been undertaken is specified.	Category Practicing members	LACPA, Audit Practice, Training Committees	Y			The system is established at LACPA and used with continuous review and improvement. Since Covid-19 LACPA was not as strict as before regarding the period of time to cover the CPDs. It is expected starting 2024 to return to the schedules set and published for all members to respect and comply with.
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, Audit Practice, Training Committees			Partially	The requirements are defined. The system is set. A return to the system in a more disciplined way is required. But no sanctions are enforced due to lack of compliance with CDPs.
IES 8. Professional Competence for Engagement Partners Responsible for Audits of Financial Statements						
Effective: January 1, 2021						
Objective: To establish the professional competence that professional accountants develop and maintain when performing the role of an Engagement Partner.						
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	Category Practicing members as Engagement Partners	LACPA, Audit Practice, Ethics and Training Committees		N		LACPA has not identified engagement partners for any specific training during the last 5 years at least. No plans are set for that during next year. It is possible, if LACPA experiences

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IES Requirements	Category of Professional Accountant ⁴	Authorized Entity	Yes	No	Partially	Comments
outcomes including, but not limited to, those listed in IES 7, Table D.						some stability, and especially after launching the Quality Review program. Members practicing as engagement partners who experience many findings in the QR, may appreciate the importance of IES 8. It would be a great time to launch is as part of the preparation of the firms for the participation and preparation in the Peer Review.
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, Audit Practice, Ethics and Training Committees		N		No special CPD hours or training is designed at this time for Engagement Partners. It may become more valuable and appreciated once the Quality Review program is launched.

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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

#	Start Date	Actions	Completion Date	Responsibility	Resource
<i>Promoting Adoption</i>					
14.	December 2022	<ul style="list-style-type: none"> LACPA announced clearly to all stakeholders and members that it is complying with ISA and assisting others to comply with applicable international standards. 	Continuous	LACPA board and Training Committee	LACPA experienced members, Training Committee, Ethics Committee, possibly the World Bank
15.	April 2023	<ul style="list-style-type: none"> LACPA committed to fighting corruption and complying with ISA the 700s and the 250 and other relevant standards. 	Continuous	LACPA board and Training Committee	LACPA experienced members, Training Committee, Ethics Committee, possibly the World Bank
<i>Supporting Implementation of the Standards</i>					
16.	October 2023	<ul style="list-style-type: none"> Training sessions on IAS workpapers, audit programs, planning, training and CPD is to be rescheduled in an Agenda as done in previous years before Covid-19 Training sessions on Emphasis training on ISA Fraud, Illegal Activities, and Audit opinions 	Continuous Agenda	LACPA board and Training Committee	LACPA experienced members, Training Committee, Ethics Committee, possibly the World Bank
<i>Maintaining Ongoing Processes</i>					
17.	October 2024	<ul style="list-style-type: none"> Readjust the training calendar of year 2023-2024 and revisit the updates needed and reissue a new annual agenda taking into accounts training for new professionals, for practicing members, and for trainees where appropriate, like Ethics, and other shared training subjects. 	Continuous Agenda	LACPA board and Training Committee	LACPA experienced members, Training Committee, Ethics Committee, possibly the World Bank

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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.

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Background:

The Accountancy Profession Act 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 can issue a Code of Ethics for its members, it must be approved by the Ministry of Finance (MoF). The LACPA reports it is currently drafting revisions to the Act No. 364 to allow revisions to its Code without the approval of the MoF. But in view of the current political situation and the economic and banking crisis, it is not a priority for the country and therefore, law amendments are not expected very soon. But it turned out that law amendments are not needed for adoption of the Code of Ethics. A mere decision by the Minister of Finance will do. Therefore, LACPA represented by its President Aff Charara will be requesting such a decision to complete the adoption requirements.

The LACPA last issued its Code in 2006, which it reports was at the time in line with the IESBA Code of Ethics. Once LACPA gets the Minister of Finance to issue a decision adopting the current Code of Ethics, LACPA members would have all the support for complying. LACPA can ensure that the latest handbook is published on the website of LACPA in several languages as available at this time (English, French, Arabic).

Additional training, discussions, workshops and conferences about the topic are planned to keep fighting the high tolerance of lack of Ethics facing the environment and the culture. Actions from LACPA will help members stay focused and determined and disciplined in Ethics.

#	Start Date	Actions	Completion Date	Responsibility	Resource
<i>Promoting Adoption</i>					
18.	October 2023	<ul style="list-style-type: none"> Prepare a letter by LACPA and submit to the Ministry of Finance requesting from the Minister to issue a Decision for the Adoption of IESBA Code of Ethics as issued by IESBA. 	March 2024	LACPA board and Training Committee, Ministry of Finance	LACPA experienced members, Training Committee, Ethics Committee, possibly the World Bank, Ministry of Finance
19.	October 2023	<ul style="list-style-type: none"> Follow up with The Ministry of Finance and holding a major national conference about Ethics. The objective is to create an open environment that considers and values commitment to Ethics. This will uplift the moral of practicing members to the level of responsibility required from them in complying with the Code of Ethics. LACPA will publish on its website the Code of Ethics in three languages: English, French, and Arabic, and provide members with relevant links. 	March 2024	LACPA board and Training Committee	LACPA experienced members, Training Committee, Ethics Committee, possibly the World Bank
<i>Supporting Implementation of the Standards</i>					

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20.	<ul style="list-style-type: none"> The new Agenda should allow for Ethics training. The Ethics sessions should be given at least once per quarter to allow access to most practitioners and trainees. Adding Anti-Corruption and discussing Integrity and Independence and conflict of interest in particular is advantageous and could be made more interesting to new professionals; relating the studies to the practical experience may be useful for trainees. 	Continuous Agenda	LACPA board and Training Committee	LACPA experienced members, Training Committee, Ethics Committee, possibly the World Bank
Maintaining Ongoing Processes				
21.	Readjust the training calendar of year 2023-2024 and revisit the updates needed and reissue a new annual agenda taking into accounts training for new professionals, for practicing members, and for trainees where appropriate, like Ethics, and other shared training subjects.	Continuous Agenda	LACPA board and Training Committee	LACPA experienced members, Training Committee, Ethics Committee, possibly the World Bank

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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

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Background:

LACPA is the motivator for IPSAS adoption in Lebanon. Efforts in 2015 were useful to bring the issue to the attention of the Government. However, the relationship between LACPA and the Ministry of Finance on unrelated matters, hurt such progress and put the matter at a halt.

A lawsuit filed by LACPA against the Ministry of Finance was not successful and managed to create unstable relations between the two parties.

After a succession of failures on the part of LACPA to pursue the matter, and a total negligence to the matter by the Ministry of Finance and any other public entity, it is time to pursue the adoption of IPSAS by the Ministry of Finance and public entities again.

The Past President Sarkis Sakr rebuilt the relationship between LACPA and the Ministry of Finance. President Aff Charara is able to pursue the need to activate an oversight committee that will help both parties have what they need for proper implementation.

Effective implementation requires a dedicated committee to this issue that will continue pursuing the matter away from politics or any other LACPA issues.

#	Start Date	Actions	Completion Date	Responsibility	Resource
<i>Promoting Adoption</i>					
22.	December 2023	<ul style="list-style-type: none"> To coincide with December 9, the UN day against corruption, LACPA is to launch the IPSAS and Sustainability relevance and importance in complying with transparency and accountability required for Lebanon. LACPA cannot succeed in the adoption of IPSAS alone, a close cooperation with the Ministry of Finance should be maintained. This is a very important topic that requires attention and support from major international organizations as well as LACPA and IFAC. 	December 2023	LACPA, Government (Ministry of Finance, The Central bank), Public Relations and Media Committee	LACPA experienced members, Training Committee, Ethics Committee, possibly the World Bank
23.	January 2024	<ul style="list-style-type: none"> Awareness campaigns of SMOs Awareness campaigns of IPSAS and Sustainability 	Throughout the year several events	LACPA, Government (Ministry of Finance, The	LACPA experienced members, Training Committee, Ethics Committee, possibly the World Bank

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		<ul style="list-style-type: none"> Awareness campaign of SDGs to connect the practical part of the profession to the rest of the world. 	Central bank), Public Relations and Media	
<i>Supporting Implementation of the Standards</i>				
24.	March 2024	<ul style="list-style-type: none"> Training sessions about IPSAS and Sustainability Standards 	LACPA, Training Committees	LACPA experienced members, Training Committee, Ethics Committee, possibly the World Bank
<i>Maintaining Ongoing Processes</i>				
25.	March 2025	<ul style="list-style-type: none"> Update the material required and incorporate in the new training Agenda for 2025 	LACPA, Training Committees	LACPA experienced members, Training Committee, Ethics Committee, possibly the World Bank

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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

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Background:

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

In November 2011, LACPA launched the internal procedures to be used by LACPA and by the members or the third parties complaining about a member, as well as by the member subject of the complaint. Such event took place and was in participation of the Past President Gina Chammas and members of the LACPA Board and members of the Disciplinary Board as well as high level officials of the Ministry of Finance.

The process was used immediately after that in a case filed by a third party against a LACPA member, the process went well as members of the disciplinary board complied with the law and its procedures. It resulted in a Disciplinary Board Decision that was successful enough to defeat a court appeal that ended up confirming LACPA's Disciplinary Board approval.

Since priorities in the country are focused on different matters, LACPA should proceed by compliance with the law as well as the disciplinary Board as currently set in the law.

In 2023, LACPA announced that it is expecting to comply with the law and the IFAC requirements. It is currently managing 3 complaints against members and has a third case pending, and at least two new cases to follow. However, LACPA board members grew to be lenient and do not wish to be part of unpopular decisions to transfer anyone to the Disciplinary Board.

The process is described briefly below:

Receiving the Complaint: Complaints are received at LACPA President's Office. They are intended to be confidential to avoid any misinformation about a member. Once received the President has the right to question it and obtain some information to present it to the LACPA Board.

Investigation: Once the LACPA Board discusses the matter, they can decide to request from the President or another member if the President allows, to question both parties starting with the party complaining, then the party that is the subject of the complaint. The questioning happens in the presence of another LACPA Board member who is to keep minutes of the meetings taking place and the questions and answers.

Disciplinary Board: The results of the investigation are brought back to the LACPA Board and there, after discussion, they take place to table the matter, or to take it to the Disciplinary Board. The President of LACPA is to convene the Disciplinary Board and put in front of them all data and information available for them to decide if they have sufficient evidence or not. The DB calls on the member subject of the Complaint and questions them to verify the evidence or data and the answers of the suspect. They verify the evidence and allow the suspect to have a lawyer at their side throughout the questioning. Once collection of evidence is complete, then the board takes a specified amount of time for internal discussions. They have to decide if the member is guilty or not. If found guilty, they send a

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#	Start Date	Actions	Completion Date	Responsibility	Resource
<i>Promoting Adoption</i>					
26.	January 2012	<ul style="list-style-type: none"> LACPA started receiving complaints and started investigating the cases. More than 20 cases were filed. More than 10 were dismissed as they were without grounds and just the type of abuse of power to harass members. The results of ten other cases are: One case resulted in expelling a member and was upheld also by an appeal court decision. Two other cases were overturned by an appeal court decision. One case was not completed, and no decision was issued. Two cases were not processed. Currently LACPA has two cases in process and two cases filed but not processed yet. More cases are expected to be filed in 2023. LACPA has specific time periods to comply with in implementing the procedures. In light of the current political pressures on LACPA, support to comply is very much needed. 	April 2024	LACPA Board	LACPA experienced experts, LACPA lawyers, LACPA Disciplinary Board, LACPA Board members
27.	Early December 2023	<ul style="list-style-type: none"> LACPA to launch application and Compliance of Chapter III of LACPA Law and SMO 6 compliance, in a seminar explain the law and the requirements, as well as the commitment of LACPA Board to compliance with IFAC Statement of Membership Obligation # 6. More awareness by the members as to the importance of the DB functions, can create a support base for the President and the DB at LACPA. 	To be repeated every quarter	LACPA Board	LACPA experienced experts, LACPA lawyers, LACPA Disciplinary Board, LACPA Board members
<i>Supporting Implementation of the Standards</i>					

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28.	End of April 2023	<ul style="list-style-type: none"> Workshop presenting activities of the Disciplinary process, cases and results and better ways to manage certain issues by members to avoid violations. Presenting results and relaunching the process for SMO6 to sink in that it is an obligation that we will all abide by it, fairly and without abuse of power. A special training should be proposed to all board members within one month from election regarding SMOS and IFAC as well as chapter III of the LACPA law. LACPA has a Code of Conduct Committee which has usually members who can help in the investigation and collection of evidence. The Law does not connect between the Committee and the DB at this time. LACPA may want to consider creating a link by amending the bylaws if needed. 	Every early December, every end of April	LACPA Board	LACPA experienced experts, LACPA lawyers, LACPA Disciplinary Board, LACPA Board members
Maintaining Ongoing Processes					
29.	End of April 2024	<ul style="list-style-type: none"> Assess the actions taken and results achieved by end of April and propose changes and recommendations for a better process and more deterrence and lessons learned for the following year adoption. 	Continuous	LACPA Board	LACPA experienced experts, LACPA lawyers, LACPA Disciplinary Board, LACPA Board members

Requirements	Y	N	Partially	Comments
Scope of the System 1. A system of investigation, discipline and appeals exists for the accountancy profession. The system is operational.			Partially	The system exists. It was set up since October 2011. It was documented and launched in November 2011 in a conference that was covered by the media since then. Five main speakers participated, including the representative of the Ministry of Finance. We suggest a mandatory training for members of the board of LACPA and Disciplinary Board members. Definitely, 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
2. Information about the types of misconduct which may bring about investigative actions is publicly available.	Y			

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*Action Plan Developed by
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Requirements	Y	N	Partially	Comments
Initiation of Proceedings				relevant Lebanese laws. All cases require clear and specific evidence present with in the case documents.
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 related to the standards that LACPA members should comply with.
Investigative Process				The Disciplinary Board is the specific body at LACPA with authority to issue decisions of Disciplinary nature. Two members of the Board are elected in the General Assembly and two others are selected by LACPA Board from the nine General Assembly members
5. A committee or similar body exists for performing investigations.	Y			
6. Members of a committee are independent of the subject of the investigation and other related parties.	Y			Definitely every effort is made for LACPA board to make sure that the members prosecuting is independent of the member under investigation. Some abuse can happen at the level of Presidents of LACPA.
Disciplinary Process				While LACPA has a committee for investigating unprofessional behavior, it has not been requested to investigate. Instead, the "initial" investigation has been limited to President and one member of the board. They are expected to complete the investigation starting by the person who filed the complaint to review the content of the complaint and the related documents. Then, they are expected to meet with the accused member to review their stand and position vis-a vis the accusation and the related documents, giving him or her time to provide evidence. Minutes of meetings are to be prepared and signed at least by the President and the other board member present and rarely do the accused or accuser sign these minutes of
7. A separate disciplinary committee/entity exists to make disciplinary decisions on referrals from the investigation committee.				

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Azif Chirara

Requirements	Y	N	Partially	Comments
				meetings. The accused has the right to an attorney present to ensure proper defense. While the accusing person is not entitled to be present during the investigation or the prosecution, unless he or she is also accused by the person they accused (cross accusations). The Disciplinary board will always include the President of LACPA who calls the meetings. 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.
8. Members of the committee/entity include professional accountants as well as non-accountants.		N		Only Professional members of LACPA are involved in the investigation and Disciplinary board actions.
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. It does not exclude possibility of abuse by the President or another influential member.
Sanctions 10. The disciplinary system allows imposing an extensive range of penalties. It is particularly important to include (a) loss of professional designation; (b) restriction and removal of practicing rights; and (c) exclusion from membership.	Y			Exclusion from membership of LACPA means, removal of practice rights and loss of designation of the profession. This is the most severe if given to 5 years which can be forever. The same can be done for a limited period of one year.
Rights of Representation and Appeal 11. A third appeals body exists which is separate from both the disciplinary committee and investigative committee.			Partially	A send appeal body as the investigation and the Disciplinary board at LACPA are considered one Body (LACPA). The second body of Appeal is the Administrative court in Beirut (Shoura court).
Administrative Processes 12. Timeframe targets for disposal of all cases are set.	Y			The time frame is defined, yet it has rarely been complied with. This is an abusive way to give the accused a chance to escape the rendered decision.

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President
Ajif Charara

Vice President
Marwan Boukhalil

Vice President
Marwan Boukhalil

Requirements	Y	N	Partially	Comments
13. Tracking mechanisms to monitor progress in investigation and discipline and related procedures are established.		N		The file is kept confidential. We cannot track any of the cases filed, versus the ones under process, vs the ones prosecuted, the results, the effect on the registration of the accused in case of loss and on the accusing party in case they lost. This administrative process has been designed since 2011.
14. Records of investigations and disciplinary processes are established.		N		Records are not well kept. They need to be part of training program to emphasize the importance of such records, while those accused would like things to continue with well-kept records.
Public Interest Considerations				The system calls for secrecy as the law requires that during the process and until the results are out. It is intended to minimize damage on the accused in case of innocence. Once the process is completed, LACPA is introducing in this Action Plan measures to announce the results for proper transparency as well as deterrence.
15. Activities are supported to ensure that the public is aware that an investigative and disciplinary system exists in the jurisdiction.		N		The secrecy process has been abused by some Presidents to exert more pressure on the accused, who was innocent. So, abuse by Presidents can happen.
16. A process or the independent review of complaints on which there was no follow-up is established.		N		No process to follow up and hold those charged of Governance are allowed, under the pretext of secrecy, that we do not find as an appropriate excuse to keep a case from being prosecuted.
17. The results of the investigative and disciplinary proceedings are made available to the public.		N		Only in applying this Action Plan will LACPA start announcing results of investigations and of final decision issued by the Disciplinary Board.
Liaison with Outside Bodies		N		NO there is not an appropriate process for liaison. There is a disconnection and the courts that need to investigate in a technical matter or behavior of a member of LACPA

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Président
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 Vice President
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*Action Plan Developed by
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Requirements	Y	N	Partially	Comments
18. There is an appropriate process for liaison with outside bodies on possible involvement in serious crimes and offences.				doesn't have access to the Disciplinary board except as an accuser.
Regular Review of Implementation and Effectiveness				
19. Regular review of implementation and effectiveness of the system are performed, and corrective actions are implemented.		N		No reviews of the system have been done since it was launched in 2012 to date.


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

Action Plan Objective:

#	Start Date	Actions	Completion Date	Responsibility	Resource
Background:					
According to Ministerial Decisions 6258 of 1996 and 673/1 of 2001, Financial reporting standards are adopted by the Ministry of Finance (MoF). Most companies are required to prepare annual financial statements using the International Financial Reporting Standards (IFRS). The list of all applicable IFRS is published in the Official Gazette. Where differing interpretations exist, the official English version of IFRS should be referred to.					
The decisions specify the types of entities required to use IFRS to prepare their financial statements. Additionally, companies listed on the Beirut Stock Exchange must use full IFRS. Unlisted companies have the option of using full IFRS or IFRS for SMEs. (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 partnership whose total number of employees exceeds 25 or that have annual turnover above LB750 million (US \$500,000). Unlisted companies have the option of using full IFRS. The list of all applicable IFRS is published in the Official Gazette.					
Promoting Adoption					
30.	December 2022	<ul style="list-style-type: none"> LACPA announced its commitment to compliance with IFRS, and the importance of such a commitment to the companies of Lebanon and to the national economy. LACPA shall include IFRS material in the annual training agenda which it intends to issue. 	Continuous	LACPA board and Training Committee	LACPA experienced members, Training Committee, Ethics Committee, possibly the World Bank
31.	October 2023	<ul style="list-style-type: none"> LACPA shall prepare a workshop emphasizing the importance of adopting IFRS. It could be an opportunity to include accountants who are non-members in the training sessions. More than 10 workshops were offered by LACPA since June 2022 to date and it continues to support its members by offering these 2 to 3 hours workshops on the afternoons to allow for a wider range of participation. All of these sessions are considered CPD, s LACPA expects members to manage and attend at least a third of these sessions which will help members comply with CPD. 	Continuous	LACPA board and Training Committee	LACPA experienced members, Training Committee, Ethics Committee, possibly the World Bank
Supporting Implementation of the Standards					

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