

INSTITUTE OF CHARTERED ACCOUNTANTS,  
GHANA ACT, 2020

Act 1058

ARRANGEMENT OF SECTIONS

*Section*

*Establishment of the Institute of Chartered Accountants, Ghana*

1. Establishment of the Institute
2. Object of the Institute
3. Functions of the Institute

*Governance of the Institute*

4. Governing body of the Institute
5. Tenure of office of members of the Council
6. Meetings of the Council
7. Disclosure of interest
8. Conflict of interest
9. Establishment of committees
10. Allowances
11. Meetings of the Institute
12. Policy directives

*Membership and Qualification*

13. Categories of membership
14. Qualification for enrolment
15. Certificate of enrolment
16. Restriction on use of the title “Chartered Accountant”

*Registration*

17. Qualification for registration as a Chartered Accountant
18. Qualification for registration as a member of the Institute
19. Application for registration
20. Receipt of registration
21. Suspension of membership
22. Revocation of licence of firm
23. Cancellation of registration
24. Registers
25. Striking off name from register
26. Representation to the Council and appeal
27. Restoration of membership
28. Holding out as a Chartered Accountant
29. Prohibited employment and activities
30. Standards for performance of audit
31. Indemnity for Chartered Accountant

Act 1058    **INSTITUTE OF CHARTERED ACCOUNTANTS,  
GHANA ACT, 2020**

---

- 32. Review and inspection by Institute
- 33. Code of professional conduct and ethics

*Public Practice of Accountancy*

- 34. Qualification required for public practice of accountancy
- 35. Meaning of public practice of accountancy
- 36. Application for licence for public practice of accountancy
- 37. Duration of licence for public practice of accountancy
- 38. Display of licence for public practice of accountancy
- 39. Practising without licence
- 40. Cancellation of licence
- 41. Registration of firm with the Institute
- 42. Information to be provided to client
- 43. Professional indemnity insurance
- 44. Requirements for non-members of the Institute
- 45. Affiliation with other professional bodies

*Administrative Provisions*

- 46. Offices of the Institute
- 47. Internal Audit Unit
- 48. Appointment of Chief Executive Officer
- 49. Functions of Chief Executive Officer
- 50. Secretary to the Council
- 51. Appointment of other staff

*Financial Provisions*

- 52. Funds of the Institute
- 53. Bank account of the Institute
- 54. Expenses of the Institute
- 55. Borrowing powers of the Institute
- 56. Accounts and audit
- 57. Annual report and other reports

*Miscellaneous Provisions*

- 58. Fees and levies
- 59. Custody and use of common seal
- 60. Offences
- 61. Rules and procedures

**INSTITUTE OF CHARTERED ACCOUNTANTS, Act 1058**  
**GHANA ACT, 2020**

- 62. Regulations
- 63. Interpretation
- 64. Repeal and savings
- 65. Transitional provisions

**SCHEDULES**

**FIRST SCHEDULE**

*International Standard Setting endorsed by the International Federation of Accountants*

**SECOND SCHEDULE**

**PART ONE**

*Accountancy Practice Review Committee*

**PART TWO**

*Public Accountancy Supervisory Committee*

**THIRD SCHEDULE**

*Disciplinary Committee*

**FOURTH SCHEDULE**

*Meetings of the Institute*

**FIFTH SCHEDULE**

*Professional Misconduct*



THE ONE THOUSAND AND FIFTY-EIGHTH

# ACT

OF THE PARLIAMENT OF THE REPUBLIC OF GHANA  
ENTITLED

## INSTITUTE OF CHARTERED ACCOUNTANTS, GHANA, ACT, 2020

AN ACT to establish the Institute of Chartered Accountants, Ghana to promote the study of accountancy; to regulate the accountancy profession and practice and to provide for related matters.

DATE OF ASSENT: 29<sup>th</sup> December, 2020.

PASSED by Parliament and assented to by the President

*Establishment of the Institute of Chartered Accountants, Ghana*

### **Establishment of the Institute**

1. (1) There is established by this Act the Institute of Chartered Accountants, Ghana as a body corporate.

(2) The Institute may, for the performance of the functions of the Institute, acquire and hold property, dispose of property and enter into a contract or any other related transaction.

(3) Where there is a hindrance to the acquisition of land, the land may be acquired for the Institute under the Land Act, 2020 (Act 1036) and the cost shall be borne by the Institute.

**Object of the Institute**

2. The object of the Institute is to promote the study of accountancy and regulate the accountancy profession and practice in the country.

**Functions of the Institute**

3. To achieve the object under section 2, the Institute shall
- (a) regulate the practice of accountancy in the country;
  - (b) certify persons who can practise as auditors;
  - (c) prescribe and approve courses of study for the accountancy profession;
  - (d) conduct or provide for the conduct of qualifying examinations for membership of the Institute;
  - (e) regulate the training of accountant trainees;
  - (f) regulate accounting firms and auditing firms;
  - (g) keep, maintain and publish a register of Chartered Accountants, practitioners and practising accounting firms;
  - (h) prescribe and maintain standards of professional conduct for members of the Institute and educate members of the Institute on the methods and practices necessary to maintain the standards of professional conduct;
  - (i) monitor and evaluate the conduct of accountancy practice by members of the Institute and prescribe reports to be submitted by the members in relation to the conduct of accountancy practice;
  - (j) establish a disciplinary code for, and enforce the disciplinary code among, members of the Institute;
  - (k) promote and preserve the common interest and professional independence of the members of the Institute;
  - (l) organise continuous professional development courses for members of the Institute including theory and practice of accountancy, financial management and related disciplines as a condition precedent for renewal of membership;
  - (m) establish and maintain a library of books and periodicals including an electronic library on accountancy and related subjects;
  - (n) encourage members of the Institute to publish books and periodicals relating to accountancy;
  - (o) encourage research in accountancy and related subjects;

- (p) secure the advancement of the accountancy profession;
- (q) approve, adopt and promote the implementation of standards issued by independent standard setting boards endorsed by the International Federation of Accountants and specified in the First Schedule;
- (r) ensure compliance with International Public Sector Accounting Standards adopted by the Institute;
- (s) advise the Minister and accredited educational institutions
  - (i) on the appropriate curricula in accounting and auditing; and
  - (ii) on topical issues pertaining to the accounting profession and other relevant sectors of the economy; and
- (t) perform any other function ancillary to the object of the Institute.

*Governance of the Institute*

**Governing body of the Institute**

4. (1) The governing body of the Institute is a Council consisting of
- (a) a chairperson who is the President of the Institute elected by members of the Institute at an Annual General Meeting;
  - (b) the Vice-President of the Institute elected by members of the Institute at an Annual General Meeting;
  - (c) two representatives of the Ministry responsible for Education, not below the rank of a Director nominated by the Minister;
  - (d) one representative of the Ministry responsible for Finance, not below the rank of a Director nominated by the Minister responsible for Finance;
  - (e) the Chief Executive Officer of the Institute;
  - (f) three members of the Institute elected by members of the Institute at an Annual General Meeting; and
  - (g) two members of the Institute who are women elected by members of the Institute at an Annual General Meeting.
- (2) The members of the Council shall be appointed by the President in accordance with article 70 of the Constitution.
- (3) The President shall, in appointing a person under paragraphs (c) and (d) of subsection (1), have regard of the knowledge and competence of the person in matters related to accountancy.

(4) The Council shall ensure the effective and efficient performance of the functions of the Institute.

**Tenure of office of members of the Council**

5. (1) A member of the Council shall hold office for a term of two years and is eligible for re-appointment for another term only except the chairperson who shall hold office for one term only.

(2) Subsection (1) does not apply to the Chief Executive Officer of the Institute.

(3) A member of the Council may, at any time, resign from office in writing addressed to the President through the Minister.

(4) A member of the Council who is absent from three consecutive meetings of the Council without a sufficient reason ceases to be a member of the Council.

(5) The President may, by letter addressed to a member, revoke the appointment of that member.

(6) Where a member of the Council is, for a sufficient reason, unable to act as a member, the Minister shall determine whether the inability would result in the declaration of a vacancy.

(7) Where there is a vacancy

(a) under subsection (3) or (4), subsection (2) of section 7 or subsection (3) of section 8;

(b) as a result of a declaration under subsection (6); or

(c) by reason of the death of a member,

the Minister shall notify the President of the vacancy and the President shall, in accordance with this Act, appoint a person to fill the vacancy.

(8) A person appointed as a member of the Council by virtue of subsection (7), shall hold office for the remainder of the term.

**Meetings of the Council**

6. (1) The Council shall meet at least once every three months for the conduct of business at a time and place determined by the chairperson.

(2) The chairperson shall, at the request in writing of not less than one-third of the membership of the Council, convene an extraordinary meeting of the Council at the time and place determined by the chairperson.

(3) The quorum for a meeting of the Council is six members.

(4) The chairperson shall preside at meetings of the Council and in the absence of the chairperson, the Vice-President of the Institute shall

preside and in the absence of both the chairperson and Vice-President of the Institute, a member of the Council elected by the members present from among their number shall preside.

(5) Matters before the Council shall be decided by a majority of the members present and voting and in the event of an equality of votes, the person presiding shall have a casting vote.

(6) The Council may co-opt a person to attend a Council meeting but that person shall not vote on a matter for decision at the meeting.

(7) The proceedings of the Council shall not be invalidated by reason of a vacancy among the members or a defect in the appointment or qualification of a member.

(8) Subject to this section, the Council may determine the procedure for the meetings of the Council.

### **Disclosure of interest**

7. (1) A member of the Council who has an interest in a matter for consideration

(a) shall disclose in writing the nature of that interest and the disclosure shall form part of the record of consideration of the matter; and

(b) is disqualified from being present at or participating in the deliberation or determination of the Council in respect of that matter.

(2) A member ceases to be a member of the Council, if that member has an interest in a matter before the Council and

(a) fails to disclose that interest; or

(b) is present at or participates in the deliberations of the Council in respect of that matter.

(3) Without limiting any further cause of action that may be instituted against the member, the Council shall recover any benefit derived by a member who contravenes subsection (1) in addition to the revocation of the appointment of the member.

### **Conflict of interest**

8. (1) A member of the Council shall not, without the consent of Council, act in a manner or assume a position in which the duty of that member to the Institute conflicts or may conflict with the personal interest of that member.

(2) A member of the Council who provides a service to the Institute in a capacity other than a member of the Council is entitled to fair remuneration to be determined by Council.

(3) A member who contravenes subsection (1) ceases to be a member of the Council.



**Establishment of committees**

9. (1) The Council may establish committees consisting of members of the Council or non-members or both to perform a function.
- (2) Without limiting subsection (1), the Council shall have
- (a) an Accountancy Practice Review Committee as set out in Part One of the Second Schedule;
  - (b) a Public Accountancy Supervisory Committee as set out in Part Two of the Second Schedule; and
  - (c) a Disciplinary Committee as set out in the Third Schedule.
- (3) A committee of the Council may be chaired by a member of the Council except that the Disciplinary Committee may be chaired by a member or non-member of the Institute appointed by the Council.
- (4) Section 7 applies to members of a committee.

**Allowances**

10. (1) Members of the Council shall be paid allowances approved by members of the Institute at an Annual General Meeting.
- (2) Members of a committee of the Council shall be paid allowances determined by the Council.

**Meetings of the Institute**

11. The meetings of the Institute shall be held in accordance with the Fourth Schedule.

**Policy directives**

12. The Minister may give directives in writing to the Council on matters of policy and the Council shall comply.

*Membership and Qualification*

**Categories of membership**

13. The membership of the Institute consists of the following:
- (a) a student member;
  - (b) a member of the Accounting Technicians Scheme West Africa;
  - (c) an associate member;
  - (d) a full member;
  - (e) a fellow; and
  - (f) a firm member.

**Qualification for enrolment**

14. (1) A person is qualified to be enrolled as a student member of the Institute if that person has

- (a) the basic qualification approved by the Council for registration as a student; and
- (b) registered to write an examination conducted by the Institute for admission into membership of the Institute.

(2) A person is qualified to be enrolled as an Accounting Technicians Scheme West Africa member of the Institute if that person has passed the final level examination of the Accounting Technicians Scheme West Africa Examination.

(3) A person is qualified to be enrolled as an associate member of the Institute if that person has passed the final level of the Professional Accounting Examination conducted by the Institute but does not have the pre-requisite experience to be a full member.

(4) A person is qualified to be enrolled as a full member of the Institute if that person has

- (a) passed the final level of the Professional Accounting Examination conducted by the Institute;
- (b) satisfied the practical experience requirements prescribed by the Council; and
- (c) been inducted by the Council as a full member.

(5) A person who is a member of a professional accountancy body recognised by the International Federation of Accountants and approved by the Council is qualified to be enrolled as a full member of the Institute if that person has

- (a) passed the prescribed subjects of the final level of the Professional Accounting Examination conducted by the Institute;
- (b) satisfied the practical experience requirements prescribed by the Council; and
- (c) been inducted by the Council as a full member.

(6) A person who qualifies under subsection (4) or (5) may use the title "CA".

(7) A person is qualified to be enrolled as a fellow of the Institute if that person has

- (a) passed the final level of the Professional Accounting Examination conducted by the Institute;

- (b) been a full member of the Institute for a period of not less than ten years from the date of qualification as a full member of the Institute;
- (c) made a significant contribution to the accounting profession as determined by the Council; and
- (d) actively participated in the continuing professional development programme of the Institute.

(8) A person who qualifies under subsection (7) may use the title “FCA”.

(9) A firm is qualified to be enrolled as a firm member of the Institute if that firm is licensed by the Institute.

### **Certificate of enrolment**

15. The Council shall, on the enrolment of a person, under section 14 and on the payment of the prescribed fee, issue the person with an enrolment certificate that indicates the class of membership of that person.

### **Restriction on use of the title “Chartered Accountant”**

16. (1) A person who is not a Chartered Accountant recognised under this Act shall not accept or use the title “Chartered Accountant”.

(2) Despite subsection (1), a firm of accountants of which each partner is a full member of the Institute may take and use the title “Chartered Accountant”.

### *Registration*

#### **Qualification for registration as a Chartered Accountant**

17. A person qualifies for registration as a Chartered Accountant if that person

- (a) is a full member;
- (b) maintains theoretical knowledge, professional skills and values in accordance with the continuing professional development determined by the Council; and
- (c) is not disqualified under subsection (2) of section 18.

#### **Qualification for registration as a member of the Institute**

18. (1) A person qualifies for registration as a member of the Institute if that person is qualified to be registered as

- (a) a Chartered Accountant under section 17;
- (b) a student member under subsection (1) of section 14;
- (c) an Accounting Technicians Scheme West Africa member under subsection (2) of section 14;
- (d) an associate member under subsection (3) of section 14;

- (e) a fellow under subsection (7) of section 14; and
- (f) a firm member of the Institute under subsection (9) of section 14.

(2) A person is not qualified to be registered as a member of the Institute if that person has been

- (a) convicted by a court of competent jurisdiction of an offence involving fraud or dishonesty;
- (b) declared by a certified psychiatrist and adjudged by a court of competent jurisdiction to be of unsound mind;
- (c) convicted for high crime, high treason, treason or for an offence involving the security of the State;
- (d) adjudged insolvent or bankrupt by a court of competent jurisdiction and is not discharged; or
- (e) whilst a member of another professional body, found by the disciplinary committee of that body to be guilty of professional misconduct.

### **Application for registration**

19. (1) A person who qualifies to be registered as a Chartered Accountant or a member of the Institute under this Act may apply to the Institute for registration.

(2) An application for registration shall be in written or electronic form or both with supporting documents including evidence of the qualification of the applicant.

(3) The application shall be submitted together with the registration fee prescribed by the Council.

(4) The Council shall, on receipt of an application under subsection (1), carry out due diligence on the applicant and if the Council is satisfied that the applicant qualifies for registration, register the applicant.

### **Receipt of registration**

20. The Council shall, on the registration of a person under section 19 and on the payment of the required registration fee, issue that person with a receipt that indicates the class of membership of that person.

### **Suspension of membership**

21. The Council may suspend a member of the Institute where

- (a) an offence allegedly committed by the member of the Institute is being investigated;

- (b) an allegation of professional misconduct has been made against the member of the Institute;
- (c) a false declaration was made in an application for registration as a member of the Institute;
- (d) the member of the Institute has contravened a provision of this Act; or
- (e) the member is not in good standing for a period not exceeding three years.

**Revocation of licence of firm**

22. The Council may revoke the licence of a firm member of the Institute where

- (a) an offence, allegedly committed by a firm member of the Institute, is being investigated;
- (b) an allegation of professional misconduct has been made against a firm member of the Institute;
- (c) a false declaration was made in an application for registration as a firm member of the Institute;
- (d) the firm member of the Institute has contravened a provision of this Act; or
- (e) the firm member of the Institute is not in good standing for a period not exceeding three years.

**Cancellation of registration**

23. (1) The Council shall cancel the registration under this Act where

- (a) the Council has reasonable grounds to believe that the registration was obtained through fraud, misrepresentation or concealment of a material fact;
- (b) the member is found guilty of professional misconduct;
- (c) the member is convicted of an offence involving dishonesty;
- (d) circumstances have arisen since the registration which disqualify the member from being registered; or
- (e) a Chartered Accountant fails to undertake the continuing education requirements for a period of three years.

(2) The Council shall, before cancelling a registration, give the affected member

- (a) thirty days' notice in writing of the intention to cancel the registration; and
- (b) an opportunity to make a representation to the Council.

- (3) The Council may, before cancelling a registration, suspend the member on terms and conditions that the Council may determine.
- (4) The Council may,
  - (a) on conditions prescribed by the Council, and
  - (b) on the payment of the prescribed fee by the Council restore the name of a person whose registration has been cancelled.

**Registers**

24. (1) The Institute shall establish, keep and maintain registers of members of the Institute.

- (2) Registers referred to in subsection (1), shall contain
  - (a) a list of the names of members of the Institute registered under this Act; and
  - (b) any other particulars that the Institute may determine.

(3) The Institute may cause any correction or alteration to be made to the registers.

(4) The Institute shall establish, keep and maintain a register of persons engaged in the public practice of accountancy in respect of audit practice and non-audit practice.

(5) The Institute shall keep the registers at the office of the Institute.

(6) The registers shall be open to the public.

(7) A person may, during business hours and on the payment of the prescribed fees,

- (a) inspect the registers; and
- (b) obtain an extract from the registers.

(8) The Council shall publish annually, in the *Gazette*, in at least two daily newspapers of nationwide circulation and on the website of the Institute, the list of members of the Institute in good standing.

**Striking off name from register**

25. (1) The Council shall strike off the name of a person from a register if the Council is satisfied that that person

- (a) has been found guilty of professional misconduct;
- (b) has failed to pay the membership fees for a consecutive period of three years; or
- (c) is disqualified under this Act.

(2) Where the Council cancels a registration, the name of the person whose registration has been cancelled shall be struck off the register.

(3) A person whose name has been struck off the register may have the name restored if the Council is satisfied that that person has subsequently become a fit and proper person to practise the profession of accounting.

(4) Subject to subsection (3), a person whose name has been struck off the register shall have the name restored upon payment of the prescribed fee and any penalty levied against that person.

(5) The name of a member shall not be struck off the register on grounds of professional misconduct unless the Disciplinary Committee has made a recommendation to the Council that the member concerned has been found guilty of professional misconduct after due inquiry.

### **Representation to the Council and appeal**

**26.** (1) The Council shall, before suspending a member or cancelling the membership of a member

- (a) give that member at least thirty days' notice in writing of the intention to suspend or cancel the registration; and
- (b) provide the member an opportunity to make a representation to the Council.

(2) The Council shall communicate the decision of the Council in writing to the member within fourteen days of taking the decision.

(3) A person dissatisfied with a decision of the Council, may appeal to the High Court within ninety days after receipt of notice of the decision of the Council.

(4) Subject to subsection (3), a person who has been suspended or whose name has been cancelled from the register, shall have the name restored upon payment of the prescribed fee and any penalty levied against that person.

### **Restoration of membership**

**27.** The Council may, for the purpose of restoring the membership of a member, review a decision to strike off the name of that member from a register under section 25, if the member

- (a) discharges outstanding financial obligations and pays any penalties levied against the member by the Council;
- (b) successfully appeals against the decision to strike off the name from the register; or
- (c) has satisfied the conditions prescribed by the Council.

**Holding out as a Chartered Accountant**

28. (1) A person who is not registered as a Chartered Accountant under this Act shall not

- (a) practise as, be employed as, offer services as, or hold out to be, a Chartered Accountant;
- (b) adopt, use or exhibit the terms “Chartered Accountant”, “Registered Auditor”, “Public Accountant”, “Public Auditor” or any other similar description; or
- (c) do anything that is likely to lead another person to infer that that person is a Chartered Accountant.

(2) A person who is not registered as a member of the Institute shall not

- (a) practise as, be employed as, offer services as, or hold out to be a member of the Institute;
- (b) adopt, use or exhibit the terms “Member of the Institute of Chartered Accountants” or any other similar description; or
- (c) do anything likely to lead another person to infer that that person is a registered member of the Institute.

(3) A person who contravenes subsection (1) or (2) commits an offence and is liable on summary conviction to a fine of not less than five hundred penalty units and not more than ten thousand penalty units or to a term of imprisonment of not less than six months and not more than five years or to both.

**Prohibited employment and activities**

29. (1) A Chartered Accountant

- (a) shall not, except with the approval of the Institute, employ, in connection with the practice of the Chartered Accountant
  - (i) a person who is suspended from practice under this Act;
  - (ii) a person who is not registered as a member or whose name has been struck off from a register referred to in subsection (1) or (4) of section 24 or who is disqualified from registration by virtue of a conviction for professional misconduct; or
  - (iii) a person whose application for registration was rejected by the Institute;



- (b) shall not practise under a firm name or title unless every letterhead on which the firm name or title appears, clearly indicates every partner who is a Chartered Accountant;
  - (c) shall not sign an account, statement, report, financial statement submitted for tax purposes or any other purposes or document which purports to represent work performed by the Chartered Accountant, unless the work was performed by the Chartered Accountant, or under the personal supervision or direction of the Chartered Accountant, or by or under the personal supervision or direction of one or more of the partners of the firm of Chartered Accountants;
  - (d) shall not engage in a practice during any period in respect of which that Chartered Accountant is suspended from practice; or
  - (e) shall not practise without carrying the prescribed professional indemnity or fidelity insurance.
- (2) Paragraph (c) of subsection (1) does not apply to
- (a) work performed on behalf of a Chartered Accountant by another Chartered Accountant;
  - (b) work performed by another Chartered Accountant in a partially completed work which the previous Chartered Accountant was unable to complete as a result of death, disability or other cause not under the control of the previous Chartered Accountant, and which work the successor Chartered Accountant is engaged to complete; or
  - (c) work performed outside the country by a member of a professional body of accountants outside the country whose status, in the opinion of the Institute, is at least equal to that required by the Institute for the profession in the country.
- (3) Paragraph (c) of subsection (1) does not prevent a Chartered Accountant from signing the firm name or title under which the Chartered Accountant practises.
- (4) A person who contravenes a provision of this section commits an offence and is liable on summary conviction to a fine of not less than two hundred and fifty penalty units and not more than five thousand penalty units or to a term of imprisonment of not less than six months and not more than three years, or to both.

**Standards for performance of audit**

30. (1) A Chartered Accountant shall perform an audit in accordance with

- (a) the requirements of the international auditing standards issued by the International Auditing and Assurance Standards Board and adopted by the Institute; and
- (b) agreed procedures specified in a client contract.

(2) The Chartered Accountant shall disclose the agreed procedures specified in paragraph (b) of subsection (1) in the audit report.

**Indemnity for Chartered Accountant**

31. (1) A Chartered Accountant shall not incur any liability by reason of

- (a) an opinion expressed by the Chartered Accountant in good faith on an item appearing in the financial statement of an entity in connection with which the audit was carried out; or
- (b) having declined to express an opinion in respect of the financial statement of an entity;

if the Institute is satisfied that, having regard to the nature of the item or other circumstances, the Chartered Accountant could not reasonably have been expected to express an opinion.

(2) A Chartered Accountant shall not, in respect of an opinion expressed or a report or a statement made by that Chartered Accountant in the ordinary course of duties incur any liability to a client of the Chartered Accountant or a third party, unless it is proved that the opinion was expressed, or the report or statement was made, intentionally or negligently.

(3) Where it is proved that the opinion was expressed or the report or statement was made negligently in the performance of duties, the Chartered Accountant shall not incur any liability to a third party who has relied on the opinion, report or statement, for financial loss suffered, unless it is proved that the Chartered Accountant knew or ought to have known at the time when the negligence in the performance of duties pursuant to which the opinion was expressed or report or statement was made

- (a) that the opinion, report or statement would be used by a client to induce the third party to act or refrain from acting in some way or to enter into the specific transaction into which the third party entered, or any other transaction of a similar nature, with the client or any other person;

- (b) that the third party would rely on the opinion, report or statement for the purpose of acting or refraining from acting in some way or of entering into the specific transaction into which the third party entered, or any other transaction of a similar nature, with the client or any other person; or
- (c) that the opinion, report or statement was correct, when at the time the Chartered Accountant knew or could in the particular circumstances reasonably have been expected to know that the third party would rely on the representation for the purpose of
  - (i) acting or refraining from acting in a particular way;
  - (ii) entering into the specific transaction into which the third party entered; or
  - (iii) any other transaction of a similar nature, with the client or any other person.

(4) For the purpose of subsection (3), the fact that a Chartered Accountant performed the functions of an auditor may not be proof that the Chartered Accountant could reasonably have been expected to know that

- (a) a client would act as contemplated in paragraph (a) of subsection (3); or
  - (b) the third party would act as contemplated in paragraph (b) or (c) of subsection (3).
- (5) Subsection (3) shall not affect
- (a) a liability of a Chartered Accountant arising from
    - (i) a contract between a third party and the Chartered Accountant; or
    - (ii) any statutory provision; or
  - (b) any disclaimer of liability by a Chartered Accountant or a person referred to in that subsection.

### **Review and inspection by Institute**

**32.** (1) The Institute or a person authorised by the Institute shall, within a period that the Institute may determine,

- (a) review the practice of a Chartered Accountant or a firm of the Chartered Accountant; or
- (b) inspect any book, document, record or thing and make copies of the book, document, record or information contained in the thing in the possession or under the control of the Chartered Accountant and the firm of the Chartered Accountant.

(2) The Institute or the person authorised by the Institute under subsection (1), may recover the costs of the review or inspection from the Chartered Accountant.

(3) A Chartered Accountant shall, at the request of the Institute, or a person authorised by the Institute, produce a book, document, record or thing and shall not, subject to the provisions of any other law, refuse to produce the book, document, record or thing, even though the Chartered Accountant is of the opinion that the book, document, record or thing contains confidential information of a client.

(4) A Chartered Accountant who produces a book, document, record or thing for purposes of an inspection or review under this Act shall not be held liable, criminally or under civil law, as a result of the production of the book, document, record or thing.

(5) A person performing or involved in the performance of any functions under this section shall not disclose any information obtained in the performance of the functions except

- (a) for the purpose of a disciplinary hearing or an investigation of a protected disclosure under this Act;
- (b) to a person authorised by the Institute;
- (c) where the person, of necessity, provides the information in the performance of functions under this Act;
- (d) by order of a court;
- (e) at the written request of a competent authority established or a person in accordance with law; or
- (f) required by law.

(6) A person who

- (a) contravenes subsection (3) or (5), or
- (b) obstructs or hinders any person in the performance of functions under this section,

commits an offence and is liable on summary conviction to a fine of not less than two hundred and fifty penalty units and not more than two thousand five hundred penalty units or to a term of imprisonment of not less than six months and not more than one year or to both.

**Code of professional conduct and ethics**

33. (1) The Institute shall, within ninety days of the coming into force of this Act, publish a code of professional conduct and ethics for the members of the Institute.

(2) The code of professional conduct and ethics shall be consistent with the code of ethics issued by the International Ethics Standards Board for Accountants.

*Public Practice of Accountancy*

**Qualification required for public practice of accountancy**

**34.** (1) A person may engage in the public practice of accountancy if that person

- (a) is a full member of the Institute; or
- (b) has been issued with a public practice licence or a non-audit practice licence by the Institute under this Act.

(2) A person who engages in the public practice of accountancy contrary to subsection (1) commits an offence and is liable on summary conviction to a fine of not less than five hundred penalty units and not more than ten thousand penalty units or to a term of imprisonment of not less than six months and not more than five years, or to both.

**Meaning of public practice of accountancy**

**35.** (1) For the purpose of this Act, a person is engaged in the public practice of accountancy if that person acting alone or in partnership with another person and in consideration of remuneration received or to be received

- (a) engages in the practice of accountancy or portrays to the public that that person is a member of the Institute;
- (b) offers to perform or performs a service involving auditing or verification of financial transactions, books or records, or the preparation, verification, or certification of financial accounting, reports and related statements;
- (c) renders professional service or assistance in respect of matters that in principle or detail relate to accounting procedure or certification of financial facts or data; or
- (d) renders any other service that may be prescribed by Regulations to be service constituting the public practice of accountancy.

(2) A person who, under a contract of employment, provides any of the services specified in subsection (1) shall not be considered to be engaged in the public practice of accountancy by virtue of only performing the obligations under that contract.

(3) Despite subsection (2), a person shall not be employed to provide an accountancy service specified in subsection (1) for the employer or any other person if that person who seeks the employment is not registered by the Institute.

(4) Despite subsection (2), a person who is not a Chartered Accountant or a member of the Institute but who provides accountancy services other than the services specified in subsection (1), shall not sign an account or sign a financial statement.

(5) A person who is engaged in the public practice of accountancy or a member of the Institute under a contract of employment commits professional misconduct if that person or member engages in an act specified in the Fifth Schedule.

#### **Application for licence for public practice of accountancy**

**36.** (1) A Chartered Accountant who seeks to engage in the public practice of accountancy, shall apply to the Council in writing for a licence.

(2) The application shall be submitted together with the application fee prescribed by the Council.

(3) The Institute may issue a licence to an applicant to engage in the public practice of accountancy or a non-audit practice where

(a) the applicant

(i) has been certified by a professional body or a body recognised by the Council to have complied with the education and training requirements,

(ii) has passed the competence practice examination set by the Institute and has obtained competence to practise, and

(iii) is registered with the Institute,

(b) a period of not more than four years has elapsed between the date that the applicant complied with the education and training requirements and the date of the application, and

(c) the Institute is satisfied that the applicant has fulfilled all the conditions required for the grant of the licence,

and on the payment, by the applicant, of the prescribed annual subscription, issue the certificate to the applicant.

(4) The Institute shall not issue to a person a licence to engage in the public practice of accountancy if that person,

(a) in the case of an individual, has not been legally resident in the country for at least three years; or

(b) in the case of a firm, is not registered in the country, or

does not have a Ghanaian citizen as one of the principals of the firm.

(5) The grant of a licence to engage in public practice of accountancy is subject to conditions determined by the Council.

#### **Duration of licence for public practice of accountancy**

**37.** (1) A licence to engage in public practice of accountancy or non-audit practice expires on the thirty-first day of December of the calendar year of issue of that licence.

(2) A licence issued under subsection (1) may be renewed subject to the payment of the fee and compliance with continuing professional development determined by the Council.

#### **Display of licence for public practice of accountancy**

**38.** A holder of a licence to engage in public practice of accountancy or a non-audit practice shall display the licence in a conspicuous place at the place of practice.

#### **Practising without licence**

**39.** (1) A Chartered Accountant shall not engage in the public practice of accountancy unless that person holds a licence to engage in the public practice of accountancy or non-audit practice.

(2) A Chartered Accountant who contravenes subsection (1) commits an offence and is liable on summary conviction to a fine of not less than two hundred and fifty penalty units and not more than five thousand penalty units or to a term of imprisonment of not less than six months and not more than three years, or to both.

(3) A Chartered Accountant who practises during any period in which the licence to engage in public practice of accountancy or non-audit practice has expired commits an offence and is liable on summary conviction to a fine of not less than two hundred and fifty penalty units and not more than five thousand penalty units or to a term of imprisonment of not less than six months and not more than three years, or to both.

#### **Cancellation of licence**

**40.** (1) The Institute shall cancel a licence to engage in public practice of accountancy or non-audit practice if the holder of the licence

- (a) is found guilty of professional misconduct;
- (b) is convicted of an offence involving dishonesty;
- (c) is declared to be of unsound mind;
- (d) is an undischarged bankrupt;

- (e) obtained the certificate through fraud, misrepresentation or concealment of a material fact; or
- (f) commits an offence under this Act.

(2) The Institute shall, before the cancellation of a licence to engage in public practice of accountancy or non-audit practice of a Chartered Accountant, give the Chartered Accountant an opportunity to be heard and to make representation to the Council.

(3) The Institute may, before the cancellation of a licence of a Chartered Accountant, suspend the Chartered Accountant for a period and on the terms and conditions that the Institute may determine.

### **Registration of firm with the Institute**

41. (1) A person who registers a firm of Chartered Accountants under the Registration of Business Names Act, 1962 (Act 151) or under the Incorporated Private Partnerships Act 1962, (Act 152) shall register the firm with the Institute in the prescribed manner and on the payment of the prescribed fee.

(2) The Institute shall register a firm of Chartered Accountants by entering in a register referred to in subsection (1) or (4) of section 24, the name of the firm as registered under subsection (1) together with the name of the sole practitioner or each partner of the firm and any other information as may be prescribed.

(3) A firm of Chartered Accountants shall notify the Institute of any change in the name, composition, address or other information of the firm as prescribed, not later than thirty days, after the date on which the change takes place.

(4) At the beginning of each calendar year, the person responsible for the management of a firm shall submit to the Institute a list of names and particulars of each partner in that firm stating

- (a) the partners and membership certificate number;
- (b) the partners practising certificate numbers; and
- (c) the partnership firm certificate number issued by the Institute.

(5) The list shall be updated within thirty days of a change being made.



**Information to be provided to client**

42. A Chartered Accountant shall furnish the following information to a client or a prospective client:

- (a) the name of the firm or title under which that Chartered Accountant practises;
- (b) the place or places of business of the firm in which the Chartered Accountant is in practice as sole practitioner or partner;
- (c) the full names of the registered sole practitioner or partners; and
- (d) the nationality, first names or initials, and surname of the Chartered Accountant.

**Professional indemnity insurance**

43. (1) A firm registered under this section shall obtain professional indemnity insurance, in the prescribed manner, to cover any liability which may be incurred as a result of the negligence or recklessness in the conduct of the practice by the partners of the firm.

(2) Where a firm obtains professional indemnity insurance in accordance with subsection (1), the liability of the partners shall be limited to the extent prescribed.

**Requirements for non-members of the Institute**

44. (1) A person who is not a member of the Institute but is engaged to provide accountancy services in the country shall comply with the

- (a) ethical requirements of the Institute; and
- (b) standards, policies and directives of the Council.

(2) A person who contravenes subsection (1) is liable to disciplinary action to be determined by the Council taking into account the gravity of the contravention.

**Affiliation with other professional bodies**

45. The Institute may affiliate with other professional bodies.

*Administrative Provisions*

**Offices of the Institute**

46. (1) The Council may establish regional and district offices of the Institute as the Council considers necessary.

(2) A regional or district office of the Institute shall perform, in the region or the district, the functions of the Institute, that the Council may direct.

(3) The Council shall provide the regional or district offices of the Institute with officers.

(4) The Institute may have correspondents and representatives within or outside the country as the Council may determine.

**Internal Audit Unit**

47. (1) The Institute shall have an Internal Audit Unit in accordance with section 83 of the Public Financial Management Act, 2016 (Act 921).

(2) The Internal Audit Unit shall be headed by an Internal Auditor who shall be appointed in accordance with the Internal Audit Agency Act, 2003 (Act 658).

(3) The Internal Auditor is responsible for the internal audit of the Institute.

(4) The Internal Auditor shall, subject to subsections (3) and (4) of section 16 of the Internal Audit Agency Act, 2003 (Act 658), at intervals of three months

- (a) prepare and submit to the Council, a report on the internal audit carried out during the period of three months immediately preceding the preparation of the report; and
- (b) make recommendations in each report, with respect to matters which appear to the Internal Auditor as necessary for the conduct of the affairs of the Institute.

(5) The Internal Auditor shall, in accordance with subsection (4) of section 16 of the Internal Audit Agency Act, 2003 (Act 658), submit a copy of each report prepared under this section to the Minister, Auditor-General and the Chairperson of the Council.

**Appointment of Chief Executive Officer**

48. (1) The Institute shall have a Chief Executive Officer.

(2) The Council shall appoint a person who is a Chartered Accountant and a member of the Institute as the Chief Executive Officer of the Institute.

(3) The Chief Executive Officer shall hold office on the terms and conditions specified in the letter of appointment.

**Functions of Chief Executive Officer**

49. (1) The Chief Executive Officer is responsible for the day-to-day administration of the Institute and is answerable to the Council in the performance of the functions under this Act.

(2) The Chief Executive Officer may delegate a function to an officer of the Institute but is not relieved of the ultimate responsibility for the performance of the delegated function.

### **Secretary to the Council**

**50.** (1) The Council shall designate a member of staff of the Institute as Secretary to the Council.

(2) The Secretary shall keep records and minutes of meetings of the Council.

### **Appointment of other staff**

**51.** (1) The Council shall appoint other staff of the Institute that are necessary for the effective and efficient performance of the functions of the Institute.

(2) Other public officers may, on request by the Council, be transferred or seconded to the Institute or may otherwise give assistance to the Institute.

(3) The Institute may engage the services of consultants and advisers on the recommendations of the Council.

(4) The terms and conditions of members of staff shall be determined by the Council.

### *Financial Provisions*

### **Funds of the Institute**

**52.** The funds of the Institute include

- (a) subscriptions of members;
- (b) fees charged in the performance of the functions of the Institute;
- (c) proceeds from the sale of publications;
- (d) interests on investments;
- (e) grants, gifts and donations; and
- (f) any other moneys approved by the Council.

### **Bank account of the Institute**

**53.** The moneys for the Institute shall be paid into a bank account opened by the Institute with the approval of the Council.

### **Expenses of the Institute**

**54.** (1) The expenses and liabilities incurred by the Council in the performance of functions under this Act shall be paid out of the moneys specified under section 52.

(2) The Council may invest any excess funds of the Institute and shall report to the Institute at an Annual General Meeting.

### **Borrowing powers of the Institute**

55. The Institute may obtain loans and other credit facilities on the security of the property and assets of the Institute.

### **Accounts and audit**

56. (1) The Council shall keep books of accounts, records, returns and other documents relevant to the accounts in the form approved by the Auditor-General.

(2) The Council shall submit the accounts of the Institute to the Auditor-General for audit at the end of the financial year.

(3) The Auditor-General shall, within six months after the end of the immediately preceding financial year, audit the accounts and forward a copy each of the audit report to the Minister and the Council.

(4) The financial year of the Institute shall be the same as the financial year of Government.

### **Annual report and other reports**

57. (1) The Council shall, within thirty days after the receipt of the audit report, submit an annual report to the Annual General Meeting covering the activities and the operations of the Institute for the year to which the report relates.

(2) The annual report shall include the report of the Auditor-General.

(3) The Council shall, within thirty days after the preparation of the annual report, submit the report to the Minister with a statement that the Council may consider necessary.

(4) The Council shall also submit to the Minister any other reports which the Minister may require in writing.

(5) The Minister shall, within thirty days after the receipt of the annual report, submit the report to Parliament with a statement that the Minister considers necessary.

### *Miscellaneous Provisions*

### **Fees and levies**

58. (1) The fees and levies payable under this Act shall be prescribed by the Council and paid to the Institute.

(2) A member of the Institute shall pay the annual subscription fee to the Institute each calendar year.

(3) The Council may, with the approval of the members at an Annual General Meeting of the Institute, prescribe special levies to be paid by members to finance specific projects.

### **Custody and use of common seal**

**59.** (1) The Institute shall have a common seal to be kept by a person determined by the Council.

- (2) The common seal shall not be fixed to a legal document except
- (a) with the prior authorisation of the Institute in writing; and
  - (b) in the presence of two members of the Council who shall sign the document independently of any other person who may have signed the document as a witness.

### **Offences**

**60.** (1) A person who

- (a) makes or causes to be made, an unauthorised entry, alteration or erasure in the Registers, certificate of enrolment, non-audit practice licence or public practice licence, or
- (b) procures or attempts to procure for that person or any other person a public practice licence, a non-audit practice licence or registration of any matter by means of fraud, misrepresentation or concealment of any material fact,

commits an offence and is liable on summary conviction to a fine of not less than five hundred penalty units and not more than one hundred thousand penalty units or to a term of imprisonment of not less than two years and not more than ten years, or to both.

(2) A person who is not a Chartered Accountant registered under this Act but represents to the public that the person is a Chartered Accountant or uses a description or designation likely to create an impression that that person is a Chartered Accountant commits an offence and is liable on summary conviction to a fine of not less than five hundred penalty units and not more than one thousand penalty units or to a term of imprisonment of not less than two years and not more than four years, or to both.

- (3) A person who reports or expresses an audit opinion on
- (a) a financial transaction or statement of an entity, or

(b) the books of account, or accounting records, or internal financial control systems of an entity without sufficient evidence gathered by that person or, under the direct supervision of that person, through an audit conducted in accordance with auditing standards commits an offence and is liable on summary conviction to a fine of not less than two thousand five hundred penalty units and not more than five thousand penalty units or to a term of imprisonment of not less than five years and not more than ten years, or to both.

(4) A person who contravenes a provision of this Act for which a penalty is not provided commits an offence and is liable on summary conviction to a fine of not less than one hundred penalty units and not more than two hundred and fifty penalty units or to a term of imprisonment of not less than six months and not more than two years, or to both.

### **Rules and procedures**

**61.** (1) The Council shall make rules and procedures for any matter relating to the functions of the Council under this Act.

(2) The Council shall obtain approval for the rules and procedures under subsection (1) at an Annual General Meeting of the Institute in accordance with the requirements of the Statements of Obligations developed by the Board of the International Federation of Accountants.

### **Regulations**

**62.** The Minister shall, in consultation with the Council, by legislative instrument, make Regulations to

- (a) prescribe courses of study for the accountancy profession;
- (b) prescribe the requirements for qualification as a member of the Institute;
- (c) prescribe standards of professional conduct for members of the Institute;
- (d) prescribe reports to be submitted in relation to the public practice of accountancy;
- (e) prescribe the manner and form of an application for a certificate of practice for the public practice of accountancy;
- (f) prescribe the procedure for registration of members of the Institute;
- (g) prescribe the procedure for election of officers of the Institute;
- (h) amend the

- (i) Second Schedule in respect of the Accountancy Practice Review Committee and the Public Accountancy Supervisory Committee;
  - (ii) Third Schedule in respect of the Disciplinary Committee and the procedures for proceedings;
  - (iii) Fourth Schedule in respect of the meetings of the Institute; and
  - (iv) Fifth Schedule to vary the definition of professional misconduct; and
- (i) provide for any other matter necessary for the effective and efficient implementation of this Act.

### **Interpretation**

**63.** In this Act, unless the context otherwise requires,

- “accountant” means a person who records, summarises, analyses and reports on financial information;
- “accountant trainee” means a person who holds out as an accountant and is not a member of the Institute;
- “Chartered Accountant” means a person who is qualified under section 17 and is registered with the Institute under section 19;
- “CA”, means Chartered Accountant;
- “Council” means the Council established under section 4;
- “FCA” means Fellow of the Institute of Chartered Accountants, Ghana;
- “Institute” means the Institute of Chartered Accountants, Ghana established under section 1;
- “Minister” means the Minister responsible for Education;
- “non-audit practising licence” means a licence other than the statutory licence issued to a member of the Institute to provide public accountancy practice services other than audit and assurance services;
- “practice of accountancy” includes recording, summarising, analysing and reporting financial information by a person who holds out as an accountant, chartered accountant or auditor;

“prescribed fees” means any fees determined under this Act;  
“professional misconduct” means conduct as defined in the Fifth Schedule; and  
“public practice of accountancy” has the meaning assigned in section 35.

**Repeal and savings**

**64.** (1) The Institute of Chartered Accountants Act, 1963 (Act 170) is repealed.

(2) Despite the repeal of Act 170, any Regulations, by-law, notice, rule, order, directive, instruction, appointment or any other act lawfully made or done by the Institute of Chartered Accountants established under Act 170 and in force immediately before the coming into force of this Act shall, with the necessary modification, continue to have effect as if made under this Act until reviewed, revoked, cancelled or terminated.

(3) Any register in use immediately before the coming into force of this Act and every document prepared or issued by the Institute of Chartered Accountants established under Act 170 shall continue in force as if prepared, kept or issued under the corresponding provisions of this Act.

**Transitional provisions**

**65.** (1) The Council of the Institute established under the Institute of Chartered Accountants Act, 1963 (Act 170) existing before the coming into force of this Act shall continue in office until the expiration of the term of office of the Council.

(2) The rights, assets and liabilities in respect of the properties vested in the Institute of Chartered Accountants established under the Institute of Chartered Accountants Act, 1963 (Act 170) immediately before the coming into force of this Act and the persons employed by the Institute of Chartered Accountants established under the Institute of Chartered Accountants Act, 1963 (Act 170) immediately before the coming into force of this Act shall be transferred to the Institute established under this Act and accordingly proceedings taken by or against the Institute may be continued by or against the Institute established under this Act.



(3) Moneys held by or on behalf of the Institute of Chartered Accountants established under the Institute of Chartered Accountants Act, 1963 (Act 170) immediately before the coming into force of this Act shall, within three months of the coming into force of this Act, be transferred to the Institute established under this Act.

(4) A contract subsisting between the Institute of Chartered Accountants established under the Institute of Chartered Accountants Act, 1963 (Act 170) and any other person and in effect immediately before the coming into force of this Act shall subsist between the Institute established under this Act and that other person.

(5) On the coming into force of this Act, a person who has been a member of the Institute for a continuous period of ten years or more is entitled to use the designation “FCA”, Fellow of the Institute of Chartered Accountants, Ghana.

(6) On the coming into force of this Act, the Association of Accountants in Ghana and the Society of Ghanaian Practising Accountants, being companies registered under the Companies Act, 2019 (Act 992) are dissolved and accordingly, their names shall be struck off the register of companies in accordance with the provisions of the Companies Act, 2019 (Act 992).

(7) Despite paragraph (b) of subsection (4) of section 14, within twelve months after the coming into force of this Act, a person who is a member of a professional accountancy body recognised by the International Federation of Accountants and approved by that Council, may apply for enrolment as a full member.

**FIRST SCHEDULE**

**International Standard Setting endorsed by the International Federation of Accountants**

*(section 3(q))*

- (a) The International Financial Reporting Standards issued by the International Accounting Standards Board.
- (b) The International Public Sector Accounting Standards issued by the International Public Sector Accounting Standards Board.
- (c) The International Standards on auditing issued by the International Auditing and Assurance Board.
- (d) The International Standards of Supreme Audit Institutions.

**SECOND SCHEDULE**

**PART ONE**

**Accountancy Practice Review Committee**

*(sections 9(2)(a), 9(2)(b) and 62(h)(i))*

**Membership of Accountancy Practice Review Committee**

**1.** (1) The members of the Accountancy Practice Review Committee consist of

- (a) a chairperson nominated by the Council of the Institute from among the members of the Institute and who is not engaged in the public practice of accountancy;
- (b) one person nominated by the Council from recognised universities offering courses leading to qualifications in accountancy, who shall be of a rank not below the rank of a senior lecturer in accountancy; and
- (c) three members of the Institute nominated by the Council, two of whom have public practice experience.

(2) The members of the Accountancy Practice Review Committee shall be appointed by the Council.

**Term of office of members**

**2.** A member of the Accountancy Practice Review Committee shall serve for a term of three years and is eligible for re-appointment for a second term only.

**Cessation of membership**

**3.** A person ceases to be a member of the Accountancy Practice Review Committee if that person

- (a) resigns from office in writing, delivered in person or by electronic mail to the Chief Executive Officer of the Council;
- (b) is found liable for professional misconduct under this Act;
- (c) is adjudged bankrupt;
- (d) is convicted of an offence and sentenced to a term of imprisonment of not more than six months without the option of a fine;
- (e) becomes, for any reason, incompetent or incapable of performing the functions of the Office;

- (f) without reasonable cause, is absent from three consecutive meetings of the Committee; or
- (g) dies.

**Functions of the Accountancy Practice Review Committee**

4. The Accountancy Practice Review Committee shall
- (a) monitor compliance with the standards;
  - (b) review the standard of practice of registered firms; and
  - (c) do anything that is incidental to the fulfilment of the duties of the Accountancy Practice Review Committee.

**Remuneration of members of Accountancy Practice Review Committee**

5. The members of the Accountancy Practice Review Committee shall be paid fees determined in accordance with the rules of the Institute for services rendered.

**Meetings of Accountancy Practice Review Committee**

6. (1) The Accountancy Practice Review Committee shall
- (a) meet as often as is necessary and at least once every three months; and
  - (b) determine the rules of procedure at the first meeting.

(2) The quorum at a meeting of the Accountancy Practice Review Committee is three members.

(3) The chairperson shall preside at the meetings of the Accountancy Practice Review Committee and in the absence of the chairperson the members present shall elect a member to act as the chairperson of the meeting.

(4) The Accountancy Practice Review Committee shall have a secretary who shall be appointed by the Council from among the employees of the Institute.

(5) Decisions of the Accountancy Practice Review Committee shall be by simple majority.

**Collaboration with other persons**

7. (1) The Accountancy Practice Review Committee may co-opt or co-operate with any person or organisation with respect to any specific matter where the Accountancy Practice Review Committee believes that the experience or qualification of that person or organisation is beneficial to the performance of the functions of the Accountancy Practice Review Committee.

(2) The person or organisation co-opted may participate in the proceedings of the Accountancy Practice Review Committee but shall not have a right to vote.

### **Reports of the Accountancy Practice Review Committee**

8. The report of the Accountancy Practice Review Committee on findings from a review of the standard of practice of holders of practice licence and their firms may include a combination of the following recommendations:

- (a) remedial measures to be undertaken by the member or firm within a specified period of time;
- (b) suspension of the member for a specified period of time;  
or
- (c) withdrawal of the practice licence of a member.

### **Submission of the report of Accountancy Practice Review Committee**

9. (1) The Accountancy Practice Review Committee shall submit its report to the Council every quarter.

(2) The report of the Accountancy Practice Review Committee shall be discussed and agreed with the Council, and in case of the practice review report, with the member or firm which is the subject of the review.

### **Scheduled practice review**

10. The Accountancy Practice Review Committee shall perform an inspection of the standards of

- (a) practice of a person holding a practice licence, and
- (b) a firm owned by that person, whether alone or in partnership with another person

at intervals of not more than three years and in this respect may inspect any book, document, record or thing and make copies of the book, document, record or information contained in the thing in the possession or under the control of that person and may interview that person or any of the employees of that person.

### **Unscheduled practice review**

11. Despite paragraph 10, the Accountancy Practice Review Committee may, at any time conduct an inspection of the practice of a person or firm that the Committee considers appropriate.

**Obligation to provide information**

12. (1) A person whose practice is under inspection as required by this Act shall, at the request of the Accountancy Practice Review Committee or a person authorised by the Accountancy Practice Review Committee,

(a) provide information, and

(b) produce a book, document, record or thing,

and shall not, unless otherwise required by any other enactment, refuse to provide or produce the information, book, document, record or thing.

(2) A person, acting in good faith, during the inspection is not liable for any damage or loss caused by the provision or production of the information, book, document, record or thing to the Accountancy Practice Review Committee or a person authorised by the Accountancy Practice Review Committee

**Confidentiality of information provided**

13. Any information, book, document, record or thing obtained as a result of the inspection shall remain the property of the Accountancy Practice Review Committee for the sole use in fulfilment of its obligations and a person shall not disclose to a third party any information, book, document, record or thing obtained in the performance of the inspection, except as may be required by any enactment in respect of a civil or criminal investigation or a hearing or prosecution.

**PART TWO**

**Public Accountancy Supervisory Committee**

*(sections 9(2)(b) and 62(h) (i))*

**Composition of the Public Accountancy Supervisory Committee**

1. (1) The Public Accountancy Supervisory Committee consists of
  - (a) a chairperson appointed from among the members of the institute,
  - (b) two other members of the Institute,
  - (c) a lawyer of not less than ten years standing at the Bar who shall be the legal advisor to the Committee, and
  - (d) one other person determined by the Council.

(2) The members of the Public Accountancy Supervisory Committee shall be appointed by the Council.

**Functions of the Public Accountancy Supervisory Committee**

2. The Public Accountancy Supervisory Committee shall
  - (a) monitor and evaluate public accountancy practice to ensure compliance to standards; and
  - (b) have oversight responsibility to follow-up on issues emerging from practice firms and members of the Institute.

**Tenure of office of members of the Public Accountancy Supervisory Committee**

3. (1) A member of the Public Accountancy Supervisory Committee shall hold office for a period of not more than three years and is eligible for re-appointment for another term only.

(2) A member of the Public Accountancy Supervisory Committee may, at any time, resign from office in writing addressed to the Chief Executive Officer.

(3) A member of the Public Accountancy Supervisory Committee who is absent from three consecutive meetings of the Public Accountancy Supervisory Committee without a sufficient reason ceases to be a member of the Public Accountancy Supervisory Committee.

(4) Where a member of the Public Accountancy Supervisory Committee is, for a sufficient reason, unable to act as a member, the Council shall determine whether the inability would result in the declaration of a vacancy.

(5) A member of the Public Accountancy Supervisory Committee ceases to be a member of the Public Accountancy Supervisory Committee if that member is found liable for professional misconduct under this Act.

(6) Where there is a vacancy

(a) under subparagraph (2), (3) or (5),

(b) as a result of a declaration under subparagraph (4),

(c) by reason of the death or bankruptcy of the member, or

(d) by reason of the conviction of the member for an offence and the sentencing of that member to a term of imprisonment of more than six years without the option of a fine,

the chairperson of the Public Accountancy Supervisory Committee shall notify the Council of the vacancy and the Council shall appoint a person to fill the vacancy in accordance with this Act.

(7) A person appointed as a member of the Public Accountancy Supervisory Committee by virtue of subparagraph (6), shall hold office for the unexpired of the term.

#### **Meetings of the Public Accountancy Supervisory Committee**

4. (1) The Public Accountancy Supervisory Committee shall meet at least once every three months for the conduct of business at a time and place determined by the chairperson.

(2) The quorum for a meeting of the Public Accountancy Supervisory Committee is three members.

(3) The chairperson shall preside at meetings of the Public Accountancy Supervisory Committee and in the absence of the chairperson, a member of the Public Accountancy Supervisory Committee elected by the members present from among their number shall preside.

(4) Matters before the Public Accountancy Supervisory Committee shall be decided by a majority of the members present and voting and in the event of an equality of votes, the person presiding shall have a casting vote.

(5) Subject to this paragraph, the Public Accountancy Supervisory Committee may determine the procedure for the meetings of the Public Accountancy Supervisory Committee.

#### **Secretary to the Public Accountancy Supervisory Committee**

5. The Council shall designate an employee of the Institute as the Secretary to the Public Accountancy Supervisory Committee.



### **THIRD SCHEDULE**

#### **Disciplinary Committee**

*(sections 9 (2)(c) and 62(h)(ii))*

#### **Composition of the Disciplinary Committee**

1. (1) The Disciplinary Committee consists of

- (a) a chairperson who need not be a member of the Institute;
- (b) at least two members of the Institute;
- (c) a lawyer of not less than ten years standing at the Bar, who is the legal advisor to the Committee; and
- (d) one other person determined by the Council.

(2) Where the person whose conduct is the subject of the investigation is an accountant in public practice, membership of the Disciplinary Committee shall include an accountant in public practice.

(3) The members of the Disciplinary Committee shall be appointed by the Council.

#### **Functions of the Disciplinary Committee**

2. The Disciplinary Committee may receive, inquire, hear, consider and take decisions relating to complaints or allegations of professional misconduct against a member of the Institute.

#### **Presentation of cases to the Disciplinary Committee**

3. (1) Where a person has reason to believe that an action or omission of a member of the Institute constitutes professional misconduct that person may submit a complaint to the Council.

(2) The Council, on receipt of a complaint, shall refer the complaint to the Disciplinary Committee.

(3) The Council may, on its own motion, refer the conduct of a member of the Institute to the Disciplinary Committee where the Council is satisfied that the conduct constitutes professional misconduct.

#### **Statement of charges**

4. (1) The Council shall cause a statement to be prepared setting out the matter to be investigated by the Disciplinary Committee.

(2) The Chief Executive Officer shall transmit a copy of the statement to each member of the Committee and to the person whose conduct is to be investigated.

(3) Where the inquiry is as a result of a petition or complaint alleging professional misconduct by any person, the Chief Executive Officer shall, in addition, transmit a copy of that petition or complaint to that person and each of the members of the Disciplinary Committee.

**Notice of hearing**

5. (1) The Chief Executive Officer shall give notice of the first date fixed for the inquiry to the person whose conduct is the subject of the investigation.

(2) A notice under subparagraph (1) shall be delivered at least fourteen days before the date fixed for the inquiry by

- (a) hand;
- (b) electronic mail;
- (c) fax; or
- (d) a registered letter addressed to the last known address or place of residence of that person.

(3) Where a person to whom a notice has been given under subparagraph (1) fails to appear in person or is not represented by counsel, the inquiry may be held by the Disciplinary Committee in the absence of that person.

(4) Notice of a date to which the inquiry is adjourned shall be delivered by the Disciplinary Committee personally to the person whose conduct is the subject of inquiry or be delivered in the manner provided in subparagraph (2).

**Evidence**

6. (1) Where the Council is of the opinion that the evidence of a person, or the production by the person of a document is necessary to enable a matter to be investigated by the Disciplinary Committee, the Council shall direct the Chief Executive Officer to require

- (a) the attendance of that person, or
- (b) the production by that person of the document,

at a time and place specified in a notice to be delivered in a manner specified under subparagraph (2).

(2) Where a person to whom a notice has been given under subparagraph (1) fails to appear in person or is not represented by counsel, the inquiry may be held by the Disciplinary Committee in the absence of that person.

(3) The Disciplinary Committee may administer an oath or affirmation to a person who is required to give evidence before the Disciplinary Committee.

(4) A person who refuses to be sworn or affirmed, or to answer a question put to that person concerning any matter in respect of which the inquiry is held, commits an offence under this Act.

(5) A person, who on examination on oath or affirmation before a Disciplinary Committee, wilfully gives false evidence commits an offence under this Act.

### **Quorum**

7. The quorum of the Disciplinary Committee is three members of the Committee.

### **Legal representation**

8. (1) A person  
(a) whose conduct is the subject of investigation at an inquiry,  
or  
(b) who is in any way concerned or implicated in an inquiry,  
may be represented by a lawyer at the inquiry.

(2) The Council may appoint an employee of the Institute to provide administrative assistance including secretarial assistance to the Disciplinary Committee.

### **Hearing**

9. An inquiry held by the Disciplinary Committee shall, unless the Council otherwise determines, be held in camera.

### **Decision of the Disciplinary Committee**

10. (1) The decision and recommendation of the Disciplinary Committee shall be by simple majority of the members.

(2) Upon the conclusion of an inquiry, the Disciplinary Committee shall, within thirty days, prepare and submit a report to the Council on the findings on the matters in respect of which the inquiry was held.

### **Sanctions by Disciplinary Committee**

11. The Disciplinary Committee may, after hearing a case, recommend any of the following sanctions to the Council:

- (a) the dismissal of the case on the grounds of lack of evidence for professional misconduct;
- (b) reprimand the person in writing, with or without a fine;

- (c) suspension of the person from membership of the Institute for a specified period;
- (d) cancellation of registration of the person;
- (e) revocation of practice licence;
- (f) revocation of firm licence;
- (g) withdrawal of the practice licence of the member for a specified period; or
- (h) withdrawal of the firm licence for a specified period.

**Implementation of sanctions of Disciplinary Committee**

**12.** The Council shall approve and implement the sanctions recommended by the Disciplinary Committee.

## **FOURTH SCHEDULE**

### **Meetings of the Institute**

*(sections 11 and 62(h)(iii))*

#### **Composition of the General Assembly**

1. The fellows and full members of the Institute constitutes the General Assembly of the Institute.

#### **Annual General Meeting**

2. (1) The Council shall convene an Annual General Meeting of the Institute to

(a) approve

(i) the annual report of the Council;

(ii) the audited accounts of the Institute; and

(iii) the report of the Minister; and

(b) elect the President, the Vice President and the five other members of the Institute to the Council in the year when elections are held.

(2) The Annual General Meeting of the Institute shall be held in the second quarter of every year at a time and place appointed by the Council but which date shall not be more than fifteen months from the date of the previous Annual General Meeting.

(3) A member who intends to move a motion not related to the ordinary annual business of the Institute may do so if

(a) notice in writing of the proposed motion is given to the Chief Executive Officer not later than four weeks before the Annual General Meeting; or

(b) not less than ten members entitled to vote at the Annual General Meeting have given notice in writing to the Chief Executive Officer not later than three weeks before the date of the Annual General Meeting expressing a desire that the proposed motion be brought before the Annual General Meeting; and

the proposed motion relates to matters affecting the Institute or the accountancy profession.

#### **Extraordinary General Meeting**

3. (1) The Council may convene an Extraordinary General Meeting of the Institute at any time that the Council considers appropriate to transact business of the Institute not covered by the Annual General Meeting.

(2) The Council shall convene an Extraordinary General Meeting of the Institute at any time, if at least fifty members of the Institute have requested the meeting in writing addressed to the Chief Executive Officer stating the object of the proposed meeting.

**Notice of meeting**

4. (1) Notice in writing of a meeting of the Institute shall be delivered or sent to each member of the Institute at least fourteen clear days before the meeting.

(2) The notice shall contain, as far as practicable, a statement of the business to be transacted at the meeting.

(3) The notice shall be deemed to have been duly delivered if sent by post, fax or electronic mail unless the contrary is shown and accordingly, subject to the provisions of this section the non-receipt of any notice by any member shall not affect the validity of the proceedings of a meeting.

(4) Despite subparagraphs (2) and (3), where the President or in the absence of the President, the Vice-President certifies that an emergency exists and calls a meeting, the notice for the emergency meeting may be delivered one clear day before the meeting.

(5) The non-receipt of a notice by a member shall not invalidate the proceedings of the meeting to which the notice relates.

(6) The Council may request the attendance of any person to act as an adviser or observer at any of the meetings of the Institute but that person shall not vote on any matter for decision by the Institute.

**Presiding at meetings of the Institute**

5. (1) The President shall preside at meetings of the Institute and in the absence of the President, the Vice-President shall preside.

(2) In the absence of the President and Vice-President, a member of the Institute who is present at the meeting shall be elected from among the members of the Council to preside.

**Quorum at meetings of the Institute**

6. (1) The quorum for a meeting of the Institute shall be one hundred of the registered members of the Institute.

(2) If there is no quorum after one hour of the time for the start of the meeting, the meeting shall stand adjourned until the same day on the following week at the same time and place or at a place determined by the Council and communicated to the members.

(3) If there is still no quorum after one hour of the start of the meeting in subparagraph (2) subsequently, the members present shall constitute a quorum and the meeting shall validly proceed to conduct business.

### **Voting at a meeting of the Institute**

7. (1) The decisions of the general meeting shall be by a simple majority of the members present and voting.

(2) The person presiding at a meeting of the Institute shall have a casting vote in the event of an equality of votes.

(3) Voting at an Annual General Meeting to elect the President, Vice President and the other five members of the Institute may be by ballot voting or electronic voting.

(4) The Council may arrange for voting by proxy.

### **Minutes of meetings**

8. (1) Resolutions and proceedings of the Institute shall be recorded in the minutes of the meeting and the minutes shall be signed by the Chairperson of the meeting to which the minutes relate.

(2) The minutes, if duly signed, is sufficient evidence of the facts contained in the minutes.

### **Adjournment**

9. (1) Subject to other provisions of this Act, the person presiding at a meeting of the Council may, with the consent of members present at the meeting, adjourn the meeting but no business shall be transacted at any adjourned meeting other than the business left unfinished at the meeting from which the adjournment took place.

(2) A notice need not be given of an adjourned meeting unless the resolution for the adjournment requires otherwise.

### **Resignation, disqualification from office or death**

10. (1) In the event of the resignation, disqualification from office or death of

- (a) the President, the Vice-President shall hold office as President for the unexpired term; and

(b) the President and the Vice-President, the Institute shall elect two members of the Institute to hold office as President and Vice-President for the unexpired term.

(2) Where the Vice-President leaves office at the expiration of the term of office, that Vice-President is eligible for election to the position of President.



## **FIFTH SCHEDULE**

### **Professional Misconduct**

*(sections 35(5), 62(h)(iv) and 63)*

1. (1) "Professional misconduct" on the part of a practising accountant who is a member of the Institute includes the member
- (a) allowing another person to engage in public practice of accountancy or non-audit practice in the name of the member unless that other person is the holder of a "practice licence" and is in partnership with or employed by the person licensed to engage in public practice of accountancy or non-audit practice;
  - (b) obtaining business on the basis of a commission or brokerage payable to the client or a representative of the client whether directly or indirectly;
  - (c) accepting appointment to render audit services to an entity without prior written communication with the person previously holding that appointment to ascertain whether that other person would have any professional reasons for which the appointment may be declined or accepted conditionally;
  - (d) accepting appointment to render statutory audit services to an entity without first ascertaining whether the entity has complied with the requirements for the appointment of the auditor as prescribed by the relevant law;
  - (e) performing external audit assignments in the name of a limited liability company;
  - (f) accepting engagement as an auditor of an entity before the end of two years, if that person has rendered to that entity, before that proposed audit engagement, the following services:
    - (i) accounting and book keeping services;
    - (ii) consultancy to create financial systems or accounting manuals;
    - (iii) consultancy to prepare budgets; or
    - (iv) any other services whose fees would significantly exceed the audit fees to the extent that professional independence could be compromised;

- (g) vilifying a member of the Institute in order to influence a decision to secure an appointment to render services;
- (h) accepting an appointment to render services which requires a particular expertise and skills which that person does not possess or in which that person is not competent;
- (i) advertising self or services offered in a manner that contravenes the guidelines published in the Code of Professional Conduct and Ethics of the Institute;
- (j) disclosing information acquired in the course of professional engagement to any person other than a client, without the consent of the client, or otherwise than required by law;
- (k) expressing an audit opinion or report on financial statement, book of account or accounting record, or internal control system without sufficient evidence, or expressing an opinion on a matter in a professional capacity without obtaining sufficient information on which to base the opinion;
- (l) failing to observe prescribed standards or rules of the Institute in the course of public practice of accountancy or non-audit practice;
- (m) expressing an opinion on a financial statement of an entity in which the member or the immediate family of the member, or a firm owned by the member or a partner in the firm owned by the member, has an interest whether directly or indirectly, unless that member discloses that interest when expressing the opinion;
- (n) accepting appointment to render professional services under circumstances or terms that is likely to compromise the professional independence and objectivity of that member;
- (o) charging, in respect of a professional work, other than insolvency or receivership, fees which are based on a percentage of profits or which are contingent on results;
- (p) failing to disclose in a financial statement or otherwise a material fact known to that member, the disclosure of which is necessary to ensure that the financial statement is not misleading;
- (q) failing to report a material misstatement known to that member which is in a financial statement with which that member is concerned in a professional capacity;

- (r) being found to engage in a fraudulent act or an act which may be unjustifiable and likely to result in loss to the client;
  - (s) being found guilty of gross negligence in the conduct of the professional duties of that member;
  - (t) failing to keep the funds of a client in a separate banking account or to use any of those funds for the purposes for which they are intended;
  - (u) providing in a statement, return, or form to be submitted to the Council or to another party, any particular information knowing that that information is false;
  - (v) allowing a firm in which that person is a sole partner to describe itself in plural on its official stationery or communication, as “Chartered Accountants” instead of “Chartered Accountant”; or
  - (w) engaging in public practice of accountancy in the name of a firm whose name has not been registered with the Institute.
- (2) For the purposes of subparagraph (m) of subparagraph (1), the “immediate family” of a person means
- (a) the spouse of that person;
  - (b) the blood relation or adopted child of that person; or
  - (c) the dependant and blood relation of
    - (i) an adopted child; or
    - (ii) a spouse.
- (3) “Professional misconduct” on the part of a member of the Institute who is a non-practising accountant includes
- (a) being an official of an entity, obtains a commission or brokerage from any person, whether directly or indirectly, so as to influence the decision to appoint that person to render services or supply goods to that entity;
  - (b) disclosing information acquired in the course of the employment of that member to another person without the consent of the employer even if required under any law to disclose the information;
  - (c) failing to disclose in a financial statement or otherwise a material fact known to that member, the disclosure of which is necessary to ensure that the financial statement is not misleading;

- (d) failing to report a material misstatement known to that member, which is in a financial statement with which that member is concerned in a professional capacity;
- (e) being found to have engaged in a fraudulent act; or
- (f) that member, providing in any statement, return or form to be submitted to the Council or to any other party including statutory auditors of the entity by which that member is employed, any particular information which that member knows to be false.

**Professional misconduct involving crime**

2. Where a professional misconduct involves the commission of a crime, the Disciplinary Committee may impose a sanction on a person who is involved in the commission of the crime.

Date of *Gazette* notification: 29<sup>th</sup> December, 2020.