

**INSTITUTE OF CHARTERED ACCOUNTANTS,
GHANA BILL, 2020**

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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.

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 with perpetual succession.

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

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(3) Where there is a hindrance to the acquisition of land, the land may be acquired for the Institute under the State Lands Act, 1962 (Act 125) 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 and provide for the conduct of qualifying examinations for membership of the Institute;
- (e) regulate the engagement, training and transfer of accountant trainees;
- (f) specify the class of persons to train articled clerks and specify the circumstances under which a person of that class may be disqualified;
- (g) regulate accounting firms and auditing firms;
- (h) keep, maintain and publish a register of Chartered Accountants, practitioners and practising accounting firms;
- (i) 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;
- (j) 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;
- (k) establish a disciplinary code and enforce the disciplinary code among members of the Institute;
- (l) promote and preserve the common interest and professional independence of its members;
- (m) 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;

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- (n) establish and maintain a library of books and periodicals including an electronic library on accountancy and related subjects;
- (o) encourage members of the Institute to publish books and periodicals relating to accountancy;
- (p) encourage research in accountancy and related subjects and generally secure the advancement of the accountancy profession;
- (q) approve, adopt and promote the implementation of standards consistent with
 - (i) the International Financial Reporting Standards issued by the International Financial Reporting Standards Foundation;
 - (ii) the International Public Sector Accounting Standards issued by the International Public Sector Accounting Standards Board; or
 - (iii) the International Standards on Auditing issued by the International Auditing and Assurance Standards Board; and independent standard setting boards hosted by the International Federation of Accountants;
- (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;
 - (b) the First Vice-President of the Institute;

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- (c) the Second Vice-President of the Institute;
- (d) two representatives of the Ministry responsible for Education, not below the rank of a Director;
- (e) one representative of the Ministry responsible for Finance, not below the rank of a Director;
- (f) the Chief Executive Officer of the Institute; and
- (g) four other members of the Institute.

(2) The members of the Council shall be appointed by the President in accordance with article 70 of the Constitution.

(3) The Council shall ensure the proper and effective 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 period of not more than two years and is eligible for re-appointment for another term only.

(2) Subsection (1) does not apply to the President of the Institute, the Vice-Presidents of the Institute and 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 (3) 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,

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

(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 despatch 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 place and time determined by the chairperson.

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

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

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

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(b) not participate in the deliberations of the Council in respect of that matter.

(2) Where in the course of deliberations of the Council, a member of the Council realises that that member has an interest in a matter that is being considered, the member shall

- (a) disclose to the Council orally, the nature of the interest;
- (b) request to be recused from the deliberations of the Council in respect of that matter; and
- (c) not participate in the deliberations of the Council in respect of that matter.

(3) 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) participates in the deliberations of the matter.

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 First Schedule;
- (b) a Public Accountancy Supervisory Committee as set out in Part Two of the First Schedule; and
- (c) a Disciplinary Committee as set out in the Second Schedule.

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(3) A committee of the Council may be chaired by a member of the Council except that the Disciplinary Committee shall be chaired by a member or non-member of the Institute appointed by the Council.

Allowances

10. Members of the Council and 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 Third 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;
- (f) an honorary member; and
- (g) 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 in respect of the award of a professional accountant.

(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.

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(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 but does not have the pre-requisite practical experience.

(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; and
- (b) been inducted by the Council as a full member.

(5) A person who qualifies under subsection (4) may use the title “CA”.

(6) 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;
- (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.

(7) A person who qualifies under subsection (6) may use the title “FCA”.

(8) A person is qualified to be enrolled as an honorary fellow of the Institute if that person is a distinguished person on account of a significant contribution that that person has made to the profession of accounting as determined by the Council.

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

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

Restriction on use of the title “Chartered Accountant”

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

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

Registration

Qualification for registration as a Chartered Accountant

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

- (a) has undergone the requisite training in accountancy specified by the Institute;
- (b) maintains theoretical knowledge, professional skills and values in accordance with the continuing education requirements determined by the Council; and
- (c) is not disqualified under subsection (2) of section 17.

Qualification for registration as a member of the Institute

17. (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 16;
- (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 (6) of section 14;
- (f) an honorary fellow of the Institute under subsection (8) of section 14; or
- (g) a firm member of the Institute under subsection (10) 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) adjudged insolvent or bankrupt by a court of competent jurisdiction and is not discharged; or
- (d) whilst a member of another professional body, found by the disciplinary committee of that body to be guilty of professional misconduct.

Application for registration

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

(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.

Certificate of registration

19. The Council shall, on the registration of a person under section 18 and on the payment of the required registration fee issue that person with a registration certificate that indicates the class of membership of that person.

Suspension of membership and revocation of licence

20. The Council may suspend a member of the Institute or revoke the licence of a firm member of the Institute where

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

Cancellation of registration

21. (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;

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- (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) the 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 for a period and 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

22. (1) The Institute shall establish, keep and maintain a register of members of the Institute.

(2) The register 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

- (a) the public practice of accountancy both audit and non-audit; and
- (b) the practice of accountancy.

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

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

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(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 the list of members of the Institute in the *Gazette*, in at least two daily newspapers of national circulation and on the website of the Institute.

Striking off name from registers

23. (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 removed from 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

24. (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 membership; and
- (b) provide the member with an opportunity to make a representation to the Council.

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

(3) A person dissatisfied with a decision of the Council, may appeal to the High Court within three months 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

25. (1) 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 23, 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

26. (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”, “Public Tax Consultant”, “Public Tax Adviser” or any other similar description; or
- (c) do anything that is likely to lead another person to infer that that person is a registered 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, a tax consultant or a tax adviser;

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- (b) adopt, use or exhibit the terms “Member of the Institute of Chartered Accountants”, “Public Tax Consultant”, “Public Tax Adviser”, “Receiver”, “Liquidator” 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) Subsection (1) does not prevent a legal practitioner, a member of the Chartered Institute of Taxation or a member of the Institute from setting up a practice as a tax adviser or a tax consultant or from being in that practice.

(4) 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

27. (1) A Chartered Accountant shall not

- (a) 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 removed from a register referred to in subsection (1) or (4) of section 22 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) 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) sign an account, statement, report, financial statement submitted for tax 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

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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) engage in a practice during any period in respect of which that Chartered Accountant is suspended from practice; or
- (e) practise without carrying the prescribed professional indemnity or fidelity insurance.

(2) Paragraph (c) of subsection (1) does not apply

- (a) in respect of work performed on behalf of a Chartered Accountant by another Chartered Accountant;
- (b) in respect of work performed by another Chartered Accountant in a partially completed assignment 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 assignment the successor Chartered Accountant is engaged to complete; or
- (c) in respect of work performed outside the Republic by a member of a professional body of accountants outside the Republic whose status, in the opinion of the Institute, is at least equal to that required by the Institute for the profession in the Republic.

(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 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

28. (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.

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

Indemnity for Chartered Accountant

29. (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 report or 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 made, intentionally or pursuant to a negligent performance of duties.

(3) Where it is proved that the opinion was expressed or the report or statement was made pursuant to a negligent 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 as a result of having relied on the opinion, report or statement, unless it is proved that the Chartered Accountant knew or could in the particular circumstances reasonably have been expected to know at the time when the negligence occurred in the performance of the duties pursuant to which the opinion was expressed or the 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;

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- (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, while at that 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) This section does not confer on a person a right of action against a Chartered Accountant which, but for the provisions of this section, the person would not have had.

(5) For the purpose of subsection (3), the fact that a Chartered Accountant performed the functions of an auditor is not in itself 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).
- (6) 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

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

- (a) review the practice of a Chartered Accountant and the firm of the Chartered Accountant; or
- (b) may inspect and make copies of any book, document or record in the possession or under the control 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 and who of necessity requires the information for the performance of functions under this Act;
- (c) where the person of necessity supplies the information in the performance of functions under this Act;
- (d) where the person is required to do so by order of a court; or
- (e) at the written request of a competent authority established by law which requires the information for criminal prosecution.

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- (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

31. (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

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

- (a) is a member of the Institute; or
- (b) is a Chartered Accountant; and
- (c) has been issued with a public practicing licence or a non-audit practising licence by the Institute.

(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

33. (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;

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- (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 which 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 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, shall not sign an account or prepare 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 Fourth Schedule.

Restrictions on public practice of accountancy

34. A person who is a Chartered Accountant shall not engage in public practice of accountancy or be a partner in a firm that engages in public practice of accountancy, unless that person holds a licence to engage in the public practice of accountancy or a non-audit practice licence issued to that person by the Institute.

Application for licence for public practice of accountancy

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

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

(3) The Institute shall grant a licence to engage in

- (a) the public practice of accountancy, or
- (b) a non-audit practice licence

where

(c) an 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 practice, and
- (iii) is registered with the Institute,

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

(e) 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, in the case of

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

(b) a firm which,

- (i) is not registered in the country,
- (ii) consists entirely of foreign nationals, and
- (iii) does not have a Ghanaian citizen as one of its principals.

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

Duration of licence for public practice of accountancy

36. (1) A licence to engage in the public practice of accountancy or a non-audit practice licence 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 prescribed by the Council and the annual subscription fee.

Display of licence for public practice of accountancy

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

Practising without a licence

38. (1) A person shall not practise as a Chartered Accountant or be a partner in a firm that practices as a firm of Chartered Accountants, unless that person holds a licence to engage in the public practice of accountancy or a non-audit practising licence issued by the Institute.

(2) A person 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 practices during any period in which the licence to engage in public practice of accountancy or non-audit practising licence 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

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

- (a) is found guilty of professional misconduct;
- (b) is convicted of an offence involving dishonesty;

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- (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;
- (f) commits an offence under this Act; or
- (g) fails to respect the continuing education requirements determined by the Council.

(2) The Institute shall, before the cancellation of a licence to engage in public practice of accountancy or non-audit practising licence 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 the practising licence or non-audit practising 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

40. (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 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 22, 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 a client

41. 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 practices;
- (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, surname and ordinary residential address of the Chartered Accountant.

Professional insurance

42. (1) A firm registered under this section shall obtain professional 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 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

43. (1) A person who is not a member of the Institute but practises as an accountant 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 a disciplinary action to be determined by the Council taking into account the gravity of the contravention.

Administrative Provisions

Offices of the Institute

44. (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 the functions of the Institute, that the Council may direct in the region or the district.

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

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

Internal Audit Unit

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

Appointment of Chief Executive Officer

46. (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 terms and conditions specified in the letter of appointment.

Functions of Chief Executive Officer

47. (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

48. (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

49. (1) The Council shall appoint other staff of the Institute that are necessary for the proper and effective 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 decided by the Council.

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Financial Provisions

Funds of the Institute

50. The funds of the Institute include

- (a) subscriptions of members;
- (b) fees charged in the performance of the functions of the Institute;
- (c) grants, gifts and donations; and
- (d) any other moneys approved by the Council.

Bank account of the Institute

51. The moneys for the Institute shall be paid into a bank account opened for the purpose by the Council.

Expenses of the Institute

52. (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 50.

(2) The Council may invest any excess funds of the Institute and shall report to the Institute at the annual general meeting on

- (a) any investments made; and
- (b) the income or loss made on the investments.

Borrowing powers of the Institute

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

Accounts and audit

54. (1) The Council shall keep the books, records, returns of accounts 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 within three months after 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 account of the Institute and forward a copy of the report to the Council and the Minister.

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

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Annual report and other reports

55. (1) The Council shall, within thirty days after the receipt of the audit report, submit an annual report to the Minister covering the activities and the operations of the Institute to which the report relates.

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

(3) 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.

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

Miscellaneous Provisions

Fees and levies

56. (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 between the first day of January and the first day of April.

(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

57. (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

58. (1) A person who
(a) makes or causes to be made, an unauthorised entry, alteration or erasure in the Registers, certificate of registration, non-audit practising certificate or practising certificate, or in any respective copy, or

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(b) procures or attempts to procure for that person or any other person a practising certificate, a non-audit practising certificate 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 that person is a Chartered Accountant or uses a description or designation likely to create 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

59. (1) The Council shall make rules and procedures for any matter relating to, or connected with the functions of the Council under this Act.

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(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 requirement of the Statements of Obligations developed by the Board of the International Federation of Accountants.

Regulations

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

Interpretation

- 61.** In this Act, unless the context otherwise requires,
- “accountant” means a person who summarises, records, 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;

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- “articled clerk” means a trainee who works with a practising firm and is not a Chartered Accountant;
- “Chartered Accountant” means a person who is qualified under section 16 and is registered with the Institute under section 18;
- “CA”, means a full member of the Institute of Chartered Accountants, Ghana;
- “Council” means the Council established under section 4;
- “FCA” means Fellow of the Institute of Chartered Accountants, Ghana;
- “HFCA” means an Honorary 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 prescribed by the Council as a penalty;
- “professional misconduct” means conduct as defined in the Fourth Schedule; and
- “public practice of accountancy” has the meaning assigned in section 33.

Repeal and savings

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

(2) Despite the repeal of Act 170, any Regulations, by-law, notice, order, directive, instruction, appointment or any other act lawfully made or done by the Institute of Chartered Accountants established under Act

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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, 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

63. (1) The Council of the Institute existing before the coming into force of this Act shall continue in office until the expiration of its term of office.

(2) The rights, assets and liabilities in respect of the properties vested in the Institute of Chartered Accountants established under 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 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) 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.

(4) 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.

(5) 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).

FIRST SCHEDULE

PART ONE

Accountancy Practice Review Committee

(sections 9 (2) (a) and 60(f)(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 lower than 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, hand delivered in person 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 its duties.

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 its rules of procedure at its 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 from among the employees of the Institute by the Council.
- (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 its duties.
- (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 practising certificates 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; and
- (c) withdrawal of the practising certificate 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

- (a) of practice of a person holding a practising certificate; 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 and make copies of any book, document or 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

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(b) produce a book, document or thing,
and may not, unless otherwise required by any other enactment refuse to provide or produce the information, book, document 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 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 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 may not disclose to any third party any information, book, document 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 60(f)(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

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- (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 Minister 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 remainder 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 despatch 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.

SECOND SCHEDULE
(sections 9 (2)(c) and 60(f)(ii))

Disciplinary Committee

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.

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(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 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.

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(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:

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- (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 or disqualification of the person from membership of the Institute for a specified period;
- (d) dismissal of the person from the Institute;
- (e) withdrawal of the practising certificate of the member for a specified period; or
- (f) 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.

THIRD SCHEDULE
(sections 11 and 60(f)(iii))

Meetings of the Institute

Composition of the General Assembly

1. The total membership 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) elect the President, the Vice Presidents and the four other members of the Institute to the Council;
- (b) approve
 - (i) the annual report of the Council;
 - (ii) the audited accounts of the Institute; and
 - (iii) the report of the auditor.

(2) The Annual General Meeting of the Institute shall be held in the second quarter of every year at a place and day 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;
- (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
- (c) 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 any of the Vice-Presidents 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 all meetings of the Institute and in the absence of the President, the First Vice-President shall preside and in the absence of both the President and the First Vice-President, the Second Vice-President shall preside.

(2) In the absence of the President, the First Vice-President and the Second Vice-President, a chairperson who is a member of the Institute and 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 Presidents and the other four 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 First Vice-President shall hold office as President for the remaining term;
- (b) the First Vice-President, the Second Vice-President at the time shall become the First Vice-President;
- (c) the President and the First Vice-President, the Second Vice-President shall hold office as President and the Institute shall elect two of its members to hold office as First and Second Vice-Presidents for the remainder of the term;
- (d) the President and both the First and Second Vice-Presidents, the Institute shall elect three of its members as President and first and second Vice-Presidents respectively; and
- (e) the Second Vice-President, the Institute shall elect one of its members to hold office as the Second Vice-President for the remaining term of office.

(2) Where the period of the remainder of the term of the previous President is eighteen months or more, the person who assumes office to serve that remainder is not eligible for re-election as President.

(3) A Vice-President who leaves office because of the expiration of the term of office is, in the case of the First Vice-President, eligible for election to the position of President and in the case of the Second Vice-President, eligible for election to the position of first Vice-President or President.

FOURTH SCHEDULE
(sections 59, 60(f)(iv) and 61)

Professional Misconduct

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 in the name of the member unless that other person is the holder of a “certificate to practise” and is in partnership with or employed by the person licensed to engage in public practice of accountancy;
 - (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 any 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 any 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;

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- (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 expresses an opinion on 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;
- (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 person;
- (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) fails to disclose in a financial statement or otherwise a material fact known to that person, 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 person which is a financial statement with which that person is concerned in a professional capacity;

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- (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) is guilty of gross negligence in the conduct of the professional duties of that person;
 - (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) 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 subsubparagraph (m) of subparagraph (1), the immediate family of a person is
- (a) the spouse of that person;
 - (b) the blood relation or adopted child of that person;
 - (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;

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- (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) 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: 8th April, 2020.

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MEMORANDUM

The object of the Bill is to establish the Institute of Chartered Accountants, Ghana to regulate the study of accounting and promote the accountancy profession and accountancy practice in Ghana.

The Institute of Chartered Accountants, Ghana was established in 1963 by the enactment of the Chartered Accountants Act, 1963 (Act 170). Since its establishment, the Institute of Chartered Accountants, Ghana has experienced sweeping reforms in the study and practice of accountancy, thereby necessitating the review of the Chartered Accountants Act, 1963 (Act 170), to conform to contemporary international trends in the practice of accounting. The increased use of technology, which keeps evolving, improved international regulatory standards and new audit requirements have largely triggered these reforms. The Bill, therefore, seeks to respond to the demand for a review of Act 170 so as to address the developments that have taken place since 1963 in the study and practice of accountancy.

Clauses 1 to 3 of the Bill deal with the establishment of the Institute of Chartered Accountants, Ghana.

Clause 1 establishes the Institute of Chartered Accountants, Ghana as a body corporate with perpetual succession.

The object of the Institute is to promote the study of accountancy and regulate the accountancy profession and accountancy practice in the country, *clause 2*. The *clause* is a novelty as it has been crafted in a manner as to improve upon and expand the scope of Act 170 to cover regulating the accountancy profession and practice in the country.

In furtherance of the object under *clause 2*, *clause 3* provides for the functions of the Institute. These functions include regulating the practice of accountancy in the country; certifying persons who can practise as auditors; prescribing and approving courses of study for the accountancy profession; conducting and providing for the conduct of qualifying examinations for membership of the Institute; regulating the engagement, training and transfer of accountant trainees; specifying the class of persons

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to train articled clerks and the circumstances under which a person of that class may be disqualified; regulating accounting firms and auditing firms; keeping, maintaining and publishing a register of Chartered Accountants, practitioners and practising accounting firms. The Institute is mandated to establish and enforce a disciplinary code among members of the Institute, and promote and preserve the common interest and professional independence of its members. Other functions of the Institute include prescribing and maintaining standards of professional conduct for members of the Institute and educating members of the Institute on the methods and practices necessary to maintain the standards of professional conduct; monitoring and evaluating the conduct of accountancy practice by members of the Institute and prescribing reports to be submitted by the members in relation to the conduct of accountancy practice; establishing and enforcing a disciplinary code among members of the Institute; and organising 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.

The Institute is further responsible for encouraging research in accountancy and related subjects and generally securing the advancement of the accountancy profession and approving, adopting and promoting the implementation of standards consistent with the international financial reporting standards. Various aspects of the functions enumerated in *clause 3* are novel concepts which aim at streamlining the Bill with international standards and best practice while strengthening the legal and regulatory framework for accountancy practice in the country.

Clauses 4 to 12 deal with the governance of the Institute.

Clause 4 sets out an eleven-member Council, to be appointed by the President in accordance with article 70 of the Constitution, as the governing body of the Institute. The membership of the Council comprises a chairperson who is the President of the Institute, the First Vice-President, the Second Vice-President, two representatives of the Ministry of Education who are not below the rank of a Director, one

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representative of the Ministry responsible for Finance who is not below the rank of a Director, the Chief Executive Officer of the Institute and four other members of the Institute. The *clause* mandates the Council to ensure the proper and effective performance of the functions of the Institute. It is worthy of note that the Bill provides for the representation of the Ministry of Education on the Council of the Institute, as a means of ensuring that the Bill when enacted is implemented in accordance with the policies of the Ministry of Education, being the implementing agency.

Clauses 5, 6, 7, 8, 9 and 10 deal with the standard provisions on tenure of office of members of the Council, meetings of the Council, disclosure of interest, conflict of interest, establishment of committees and allowances. The provisions on meetings of the Council, disclosure of interest, conflict of interest and establishment of committees are new provisions in the Bill, to align the Bill with recently passed legislation.

The meetings of the Council are governed by the procedure set out in the Third Schedule, *clause 11*.

Clause 12 provides the Minister with discretion to give policy directives to the Council, which the Council is required to comply with, thereby subjecting the Institute to ministerial control and supervision.

Clauses 13 to 15 provide for membership and qualification of the Institute. *Clause 13* sets out the various categories of membership of the Institute. These categories include a student member, a member of the Accounting Technicians Scheme West Africa, an associate member, a full member, a fellow, an honorary member and a firm member. The *clause* is novel as it improves upon the related provision in Act 170 in its recognition of honorary members, fellows and associate members of the Institute, among others.

Clause 14 details the qualification requirements for enrolment. The requirements relate to the category of membership in *clause 13*. A person is qualified as a student member of the Institute if the person has the basic qualification approved by the Council for registration as a student

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and has also registered to write an examination conducted by the Institute in respect of the award of a professional accountant.

Under the *clause*, a person who has passed the final level examination of the Accounting Technicians Scheme West Africa Examination is qualified to be enrolled as a member of the Accounting Technicians Scheme West Africa.

A person is qualified to be an associate member of the Institute if that person has passed the final level of the Professional Accounting Examination but does not have the pre-requisite practical experience.

To qualify to be enrolled as a full member of the Institute, a person must have passed the final level of the Professional Accounting Examination and must have been inducted as a full member by the Council.

Passing the final level of the Professional Accounting Examination, being a full member of the Institute for ten years or above from the date of qualification as full member of the Institute, making a significant contribution to the accounting profession as determined by the Council and actively participating in the continuing professional development programme of the Institute are the qualifications for enrolment as a fellow of the Institute.

A person is qualified to be enrolled as an honorary fellow of the Institute if that person is a distinguished person on account of a significant contribution that person has made to the profession of accounting as determined by the Council.

A firm is qualified to be enrolled as a firm member of the Institute if that firm is licensed by the Institute. The *clause* improves upon the related provision in Act 170 to capture the other forms of qualification for membership which have become necessary for inclusion in the Bill, owing to related developments in accountancy practice.

Clause 15 stipulates the restriction on the use of the title “Chartered Accountant”. The *clause* proscribes the use of the title “Chartered Accountant” by a person who is not a chartered accountant recognised

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within the ambit of the Bill. However, a firm of accountants of which each partner is a member of the Institute and is a practising accountant is entitled to use the title “Chartered Accountant”.

Clauses 16 to 31 encompass matters on registration. *Clause 16* states the qualification for registration as a Chartered Accountant. To qualify for registration as a Chartered Accountant, a person is required to undergo the requisite training in accountancy specified by the Institute, maintain theoretical knowledge, professional skills and values in accordance with the continuing education requirements determined by the Council and meet the requirements of *subclause (2) of clause 17* in respect of registration as a member of the Institute.

Under *subclause (2) of clause 17*, a person is not qualified to be registered as a member of the institute if that person has been convicted by a court of competent jurisdiction of an offence involving fraud or dishonesty; declared by a certified psychiatrist and adjudged by a court of competent jurisdiction to be of unsound mind; adjudged insolvent or bankrupt by a court of competent jurisdiction and is not discharged; or has, whilst a member of another professional body, been found by the disciplinary committee of that body to be guilty of professional misconduct. The *clause* is novel in its prescription of persons who qualify for registration as Chartered Accountants.

The criteria for qualification for registration as a member of the Institute are stated in *clause 17*. A person is qualified to be registered as a member of the Institute if that member is qualified to be registered as a Chartered Accountant, a student member, a member of the Accounting Technicians Scheme West Africa, an associate member, a full member, a fellow of the Institute or an honorary fellow.

Clause 18 outlines the requirements for application for registration. The *clause* requires an application for registration to the Institute by a person who qualifies to be registered as a Chartered Accountant or a member of the Institute, under this Bill to be in writing or in electronic form or in both, supported with evidence of qualification and the registration fee prescribed by the Council. The *clause* seeks to improve administrative and procedural efficiency.

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On the registration of the applicant under *clause 18* and on payment of the prescribed registration fee by the applicant, the Council is required to issue the applicant with a registration certificate that indicates the class of membership of that applicant, *clause 19*. The *clause* seeks to designate persons who are registered with the Institute to ensure that persons engaged in accountancy practice are duly recognised by the Institute.

The suspension of membership and the revocation of licence are dealt with in *clause 20*. The grounds and modalities for the cancellation of the registration of a person as a member of the Institute or as a Chartered Accountant are enumerated under *clause 21*.

Clause 22 mandates the Institute to establish, keep and maintain a register of members of the Institute and a register of persons engaged in the public practice of accountancy and the practice of accountancy. The Institute may cause any correction or alteration to be made to the registers. The *clause* is a novelty as it provides a platform for the general public to ascertain the status of a person who engages in accountancy practice in the country and enables the Institute to supervise and regulate persons engaged in the public practice of accountancy.

Clause 23 enumerates the grounds for striking off the name of a person from a register of the Institute. The *clause* also provides for the restoration of the name of a person whose registration has been struck off the register, subject to the satisfaction of the Council that that person has subsequently become a fit and proper person to practise the profession of accountancy and upon payment of the prescribed fee and any penalty levied against that person.

Clause 24 deals with representation to the Council and appeal. The *clause* mandates the Council to give a member the opportunity to be heard before suspending the member or cancelling the membership of the member. The *clause* further permits a person who is dissatisfied with a decision of the Council to make an appeal to the High Court within three months after the receipt of notice of the decision of the Council and, upon payment of the prescribed fee and any penalty levied against that person, have the name restored in the register in accordance with *clause 25*, which deals with the restoration of membership.

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Clause 26 sets out the prohibitions against a person who is not registered from holding out as a Chartered Accountant. The prohibitions against a person who is not registered as a Chartered Accountant do not, however, prevent a legal practitioner, a member of the Chartered Institute of Taxation or a member of the Institute from setting up a practice as a tax advisor or a tax consultant or from being in that practice.

Clause 27 deals with prohibited employment and activities. Except with the approval of the Institute, a Chartered Accountant is prohibited from employing, in connection with the practice of the Chartered Accountant, a person who is suspended from the practice under the Bill; who is not registered as a member or whose name has been removed from the register of members of the Institute or is disqualified from registration by virtue of a conviction for professional misconduct; or whose application for registration was rejected by the Institute. Under the *clause*, a Chartered Accountant is not permitted to 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. A Chartered Accountant is prohibited from engaging in a practice during any period in respect of which the Chartered Accountant is suspended from practice, and from practising without the prescribed professional indemnity or fidelity insurance. The *clause* improves upon section 20 of Act 170 to expand prohibited employment and activities to include practising accountancy without the prescribed professional indemnity or fidelity insurance and engaging in the practice of accountancy during any period in respect of which the Chartered Accountant is suspended from practice.

Clause 28 sets out the standards for the performance of an audit in accordance with the requirements of the international auditing standards issued by the International Auditing and Assurance Standards Board and adopted by the Institute, and with the agreed procedures specified in a client contract. These agreed procedures are required to be disclosed in the audit report by the Chartered Accountant. The *clause* seeks to streamline the Bill with international standards and best practice, a feature absent in Act 170.

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Clause 29 provides for indemnity for a Chartered Accountant. A Chartered Accountant is indemnified from a liability for acting in good faith in the expression of an opinion or declining to express an opinion on an item or financial statement of an entity in connection with which an audit was carried out. The *clause* also indemnifies a Chartered Accountant from incurring liability to a third party who has suffered a loss as a result of having relied on an opinion, report or statement that was negligently made by the Chartered Accountant, unless it is proved that the Chartered Accountant knew or ought reasonably to have known that a third party would rely on the opinion, report or statement for the purpose of acting or refraining from acting in a matter to the detriment or disadvantage of the third party. The *clause* seeks to offer maximum protection for Chartered Accountants from liability under the various instances enumerated in the *clause*, to enable the various accountancy practices in the country remain as going concerns.

Clause 30 provides for the periodic review and inspection by the Institute of the practice of a Chartered Accountant. For this purpose, the Institute may inspect any book, document or record in the possession or under the control of a Chartered Accountant. The *clause* further provides for recovery by the Institute of the cost of the review or inspection, from the Chartered Accountant and also indemnifies a Chartered Accountant from criminal and civil liability on account of the production of a book, document, record or thing. The *clause* is a novelty and guarantees a robust legal and regulatory framework for accountancy practice in the country.

Clause 31 provides for the publication of the code of professional conduct and ethics for members of the Institute, consistent with the code of ethics issued by the International Ethics Standards Board for Accountants, within ninety days of the coming into force of the Bill. The *clause* strengthens the legal framework for regulating accountancy practice in the country, in accordance with international standards and best practice.

The public practice of accountancy is dealt with in *clauses* 32 to 43. A member of the Institute or a Chartered Accountant who has been issued

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with a public practising licence or a non-audit practising licence by the Institute is permitted to engage in the public practice of accountancy, *clause 32*.

The meaning of the public practice of accountancy is provided for in *clause 33*. The *clause* enumerates the circumstances by which a person is considered to be engaged in the public practice of accountancy. These include the engagement of a person, acting alone or in partnership with another person and in consideration of remuneration received or to be received, in the practice of accountancy or the portrayal of a person to the public that that person is a member of the Institute. By performing or offering to perform a service involving auditing or verification of financial transactions, books or records or the preparation, verification or certification of financial accounts, reports or related statements, a person is considered to have engaged in the public practice of accountancy under the *clause*. Rendering 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 in relation to a service prescribed by Regulations to be service constituting public practice of accountancy is also deemed to be the public practice of accountancy.

Clause 34 prohibits a Chartered Accountant who does not hold a licence to engage in the public practice of accountancy or a non-audit practice licence issued by the Institute from engaging in the public practice of accountancy or from being a partner in a firm that engages in the public practice of accountancy. The *clause* ensures that duly licensed persons engage in the public practice of accountancy.

A grant by the Institute of a licence to a Chartered Accountant to engage in the public practice of accountancy is a pre-requisite to the public practice of accountancy by that Chartered Accountant, *clause 35*. The *clause* outlines the conditions an applicant for a licence for the public practice of accountancy must meet, for clarity.

A licence to engage in the public practice of accountancy or a non-audit practice licence expires on the thirty-first day of December of the

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calendar year of issue of that licence, subject to renewal on the payment of the fee prescribed by the Council and on the payment of the annual subscription fee, *clause 36*.

Clause 37 mandates the holder of a licence engaged in the public practice of accountancy or the holder of a non-audit practising licence to display the licence in a conspicuous place at the place of practice. The *clause* provides protection for the general public, from dubious persons who are not duly licensed. By virtue of the *clause*, the Institute can supervise persons who engage in the public practice of accountancy.

Clause 38 prohibits a person from practising as a Chartered Accountant or from being a partner in a firm that practices as a firm of Chartered Accountants if that person does not have a licence to engage in the public practice of accountancy or a non-audit practising licence issued by the Institute.

Clause 39 stipulates the circumstances under which and the procedure by which the Institute is mandated to cancel a licence to engage in the public practice of accountancy or a non-audit practising licence.

Clause 40 outlines the modalities for the registration of a firm with the Institute.

The information a Chartered Accountant is required to furnish a prospective client with are specified in *clause 41*. These include the name of the firm or title under which that Chartered Accountant practices; the place or places of business of the firm in which the Chartered Accountant is in practice as sole practitioner or partner; the full names of the registered sole practitioner or partners; and the nationality, first names or initials, surname and ordinary residential address of the Chartered Accountant.

Under *clause 42*, it is compulsory for a firm to obtain a professional insurance to cover any liability which may be incurred due to negligence or recklessness in the conduct of the practice by the partners of the firm. The liability of the partners is limited to the insurance cover under the professional insurance. The *clause* offers maximum protection for firms and enables the firms remain as going concerns.

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Clause 43 provides for the conditions to be met by a person who is not a member of the Institute but practices as an accountant in the country.

Administrative provisions are covered under *clauses 44 to 49*. *Clause 44* provides for the establishment by the Council of regional and district offices of the Institute to perform the functions of the Institute, as the Council may direct.

The Institute is required to have an Internal Audit Unit in accordance with section 83 of the Public Financial Management Act, 2016 (Act 921), *clause 45*. This *clause* has been introduced to align the Bill with Act 921.

The Council is mandated under *clause 46* to appoint a Chartered Accountant who is a member of the Institute as the Chief Executive Officer of the Institute. The Chief Executive Officer is responsible for the performance of the functions outlined in *clause 47*.

The Bill mandates the Council to designate a member of staff of the Institute as Secretary to the Institute, *clause 48*. The Secretary is responsible for keeping records and minutes of meetings of the Council.

Clause 49 deals with appointment of other staff of the Institute that are necessary for the effective and proper performance of the functions of the Institute. The determination of the terms and conditions of the staff of the Institute is the prerogative of Council.

The Bill caters for financial matters of the Institute in *clauses 50 to 55*. *Clause 50* provides the funds of the Institute which include subscriptions of members, fees charged in the performance of functions of the Institute, grants, gifts, donations, and moneys approved by the Council.

Clause 51 provides for the bank account of the Institute. Moneys for the Institute are to be paid into the bank account opened for that purpose by the Council.

Standard provisions on expenses, borrowing powers, accounts and audit, and annual report and other reports of the Institute are set out in *clauses 52 to 55*.

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Miscellaneous matters under the Bill are provided for under *clauses* 56 to 62. *Clause* 56 requires that fees and levies payable under the Bill be prescribed by the Council. The *clause* requires a member of the Institute to pay an annual subscription fee to the Institute each calendar year between the first day of January and the first day of April. To finance specific projects, the Council is, with the approval of the members of the Institute, permitted to prescribe a special levy for that purpose. The prescription of a special levy is a novelty aimed at ensuring that the Institute is adequately resourced in the performance of functions, throughout a given financial year.

Under *clause* 57, the Institute is required to have a common seal for official use in the manner detailed in the *clause*.

Clause 58 provides for offences and their correlative penalties.

Clause 59 empowers the Council to make rules and procedures for the effective functioning of the Council.

The Minister, in consultation with the Council, is empowered to make Regulations to provide for matters including prescribing courses of study for the accountancy profession, prescribing standards of professional conduct of members of the Institute and prescribing the manner and form of an application for a certificate of practice for the public practice of accountancy, *clause* 60.

The interpretation of words and expressions used in the Bill is dealt with in *clause* 61. *Clause* 62 deals with repeals and savings, while transitional provisions are provided for in *clause* 63.

DR. MATTHEW OPOKU PREMPEH (MP)
Minister Responsible for Education

Date: 17th March, 2020