

A BILL

FOR

AN ACT TO AMEND THE INSTITUTE OF CHARTERED ACCOUNTANTS OF NIGERIA ACT NO. 15, 1965 AND FOR RELATED MATTERS

Sponsored by Hon. Rita Orji

[] Commencement

BE IT ENACTED by the National Assembly of the Federal Republic of Nigeria and by the Authority of Same as follows:

1 1. The Institute of Chartered Accountants of Nigeria Act (in this
2 Act referred to as "the Principal Act" is amended as set out in this Act.

Amendment of
1965 No. 15

3 2. Section 1 of the principal Act is amended by inserting a new
4 sub-section (d) that is:

Insertion of
subsection 1(d)

5 (d) "Setting and issuing Standards on Auditing for its members,
6 reviewing them from time to time and monitoring compliance therewith".

7 3. Section 2 of the Principal Act is amended thereof by inserting
8 the following new Heading, that is:

Insertion of new
heading

9 "election Of President, Vice President, 1st Deputy Vice President
10 And 2nd Deputy Vice President".

11 4. Section 2(1) of the principal Act is amended by substituting
12 therefore the following new subsections that is:

Amendment of
Section 2

13 "(1) There shall be a President, a Vice President, a 1st Deputy Vice
14 President, a 2nd Deputy Vice President and an Honorary Treasurer of the
15 Institute who, shall be elected by the Council under this Act and hold office
16 each for a term of one year from the date of election.

17 (2) The President shall be Chairman at meetings of the Institute, so
18 however that, in the event of the death, incapacity or inability for any reason
19 of the President to act, the Vice-President shall act in his stead for the un-
20 expired portion of the term of office, or as the case may require, and
21 references in this Act to the President shall be construed accordingly."

1 5. Section 2(2) of the Principal Act is amended by renumbering the
2 existing subsection (2) as section (3) accordingly.

3 6. Section 2(3) of the Principal Act is amended by substituting
4 therefore the following new sub-section and renumbering it as section 3(4) that
5 is:

6 "If any office holder ceases to be a member of the Institute, he shall
7 cease to hold any office of the Institute."

Creation of new section 5

8 7. Section 2 of the Principal Act is further amended by creating the
9 following new Sub-Section (5), that is:

10 (5) Without prejudice to paragraph 1(4) of the First Schedule to this
11 Act the tenure of the immediate Past President shall be one year from the date
12 he ceases to hold office, as president and he shall not be eligible for re-election
13 into the Council at the expiration of his tenure.

Amendment of Section 3

14 8. Section 3 of the principal Act is amended by substituting therefore
15 the following new Section that is:

16 3. There shall be a governing body of the Institute to be known as the:

17 (1) Council charged with the administration and general management
18 of the Institute.

19 (2) The Council shall consist of Thirty Five members being Fellows
20 or Associates as follows:

21 (a) Two members to be appointed by the Minister, each of whom shall
22 be a Chartered Accountant,

23 (b) Four members appointed by the Council on the basis of National
24 geographical spread;

25 (c) The President the Vice President The first Deputy Vice President
26 the 2nd Deputy Vice President and the immediate Past President;

27 (d) Twenty-four members elected by the Institute of whom thirteen
28 shall be members of the Institute in practice as Accountants and eleven not in
29 practice.

30 (3) The provisions of the First Schedule to this Act shall have effect

1 with respect to the qualifications and tenure of office of members of the
2 Council and other matters there mentioned.

3 (4) Regulations made by the Council may provide for increasing its
4 membership or altering its composition and make such amendments to
5 subsection (2) of this section and paragraph 1 of the First Schedule to this
6 Act subject to the approval of members of the Institute in a general meeting.

7 9. Section 3 of the Principal Act is further amended by creating a
8 new subsection (5) that is:

Creation of the
ECC

9 (1) "There shall be an Executive Coordinating Committee of the
10 Council which shall consist of the following office holders:

- 11 (a) The President;
- 12 (b) The Vice President;
- 13 (c) The First Deputy Vice President;
- 14 (d) The Second Deputy Vice President; and
- 15 (e) The Immediate Past President."

16 (2) The Functions and the mode of operation of the ECC shall be as
17 prescribed by the Council.

18 (3) The quorum at meetings of the Committee shall be four.

19 (4) The Decisions of the ECC shall be subject to ratification by the
20 Council.

21 10. Section 4 of the Principal Act is amended by inserting after
22 subsection (5) the following new subsections (6), (7), (8), (9), and (10) that
23 is:

Amendment of
Section 4

24 "The terms and conditions of service including remuneration;
25 (6) allowances, benefits of employees of the Institute shall be
26 determined by the Council;

27 (7) Employees of the Institute shall be entitled to pensions,
28 gratuities and other benefits as prescribed by the Pensions Reform Act 2004;

29 (8) The Council shall pay such reasonable expenses of its
30 members, members of its committees and remuneration of any other

1 person(s) whether member of the Institute or not, who render services to the
2 Institute;

3 (9) (a) The Council may create a Chartered Accountants Benevolent
4 and Educational Fund;

5 (b) The fund shall be managed by a Board of Trustees and a
6 Management Committee both to consist of members appointed by the Council;

7 (c) The fund shall provide assistance to indigent or distressed or ill or
8 incapacitated members of the Institute;

9 (10) "The Council may create other funds as it deems fit."

Insertion of new
heading

10 **11.** Section 6 of the Principal Act is amended by inserting a new
11 heading that is:

12 "registrar/chief Executive And The Register"

Amendment of
Section 6

13 **12.** Section 6 of the Principal Act is further amended by substituting
14 subsection (1) with the following new subsection that is:

15 (1) "There shall be for the Institute a Registrar/Chief Executive who
16 shall be a member of the Institute, appointed by the Council on such terms and
17 conditions as may be determined by the Council".

18 (2) The Council shall appoint for the Institute such other staff, as it
19 may deem necessary.

Creation of
Registrar/Chief
Executive

20 **13.** Section 6 of the Principal Act is further amended by substituting
21 the word Registrar with the word Registrar/Chief Executive wherever same
22 appears in this Act.

Amendment of
Section 7

23 **14.** Section 7 of the Principal act is amended by inserting the
24 following new subsection (d) that is:

25 (d) "to create and maintain a Register of Members' Firms".

Amendment of
Section 8

26 **15.** Section 8 of the Principal Act is amended by inserting therefor the
27 following new heading "registration of Chartered Accountants and Chartered
28 Accounting Firms"

29 **16.** Section 8 of the Principal Act is further amended in Subsection
30 (3)(b) by substituting therefore the following new subsection that is:

1 (b) "that he has attained the age of eighteen years"

2 17. Section 8 of the Principal Act is further amended by inserting
3 therefore a new subsection (7) that is:

4 (7) All members in practice shall register their Firms with the
5 Institute.

6 18. Section 11 of the Principal Act is amended:

7 (a) in subsection (2) thereof by substituting therefore the following
8 new subsection. That is:

9 The Tribunal shall consist of:

10 (i) The President and Vice President of the Institute who shall be
11 the Chairman and Vice Chairman of the Tribunal respectively; and

12 (ii) Six Council members, two Past Presidents and two Chartered
13 Accountants who are not-Council members, all of whom shall be appointed
14 by the Council;

15 (iii) The quorum of the Tribunal shall be four, which shall include
16 the President and or the Vice President;

17 (b) In subsection (3) thereof by substituting therefor, the following
18 new subsection that is:

19 There shall be bodies to be known as the "Accountants".

20 (3) Investigating Panels (each herein referred to as the "Panel")
21 which shall be charged with the duty of:

22 (a) Conducting an investigation into any case where it is alleged
23 that a member has infringed on the code of conduct for members or should
24 for any other reason be subject of proceedings before the Tribunal; and

25 (b) In subsection (4) thereof by substituting therefore the following
26 new subsection that is:

27 (a) Each Panel shall be appointed by the Council and shall consist
28 of six members of whom three shall be Council members;

29 (b) The Chairman of each Panel shall be a Council member;

30 (c) The quorum of each panel shall be three members one of whom

Amendment of
Section 11

1 shall be a Council member.

Amendment of
Section 12

2 19. Section 12 of the Principal Act is amended:

3 (a) in Subsection (1)(a) by substituting therefore the following new
4 subsection that is:

5 (1)Where:

6 (a) A member is judged by the Tribunal to be guilty of infamous
7 conduct in any professional respect, and or professional Misconduct;

8 (b) By substituting the proviso immediately after the existing
9 subsection;

10 (c) with the following new proviso that is:

11 (c) "The Tribunal may if it deems fit, give a direction reprimanding;
12 imposing a fine, and or suspending that person or firm or ordering the Registrar
13 to strike off the name of the person or firm from the relevant register."

Amendment of
Section 14(1)

14 20. Section 14 of the Principal Act is Amended:

15 (a) in section 14(1) by substituting therefore the following new
16 subsection that is:

17 (1) Subject to Section 15 of this Act and subsection (2) of this Section,
18 a person shall be deemed to practice as an accountant if, in consideration of
19 remuneration received or to be received, and whether by himself or
20 partnership with any other person:

21 (b) By inserting immediately after the existing subsection (1) (d) the
22 following new subsections (e) and (f) that is:

23 "(d) he renders any other service which may by regulations made by
24 the Council be designated as service constituting practice as an Accountant;
25 and

26 (e) He holds a current licence to practice."

Insertion of
section 14A

27 21. The principal Act is Amended by inserting immediately after the
28 existing Section 14, a new Section 15 that is:

29 "15" A Chartered Accountant shall be entitled to practice or hold
30 himself out to practice as an Auditor, a Reporting Accountant, Financial

1 Accounting Services practitioner, Company Secretarial Services
2 Practitioner, Enterprise wide risks services Practitioner, Tax Practitioner, an
3 Investigations and Forensic Accounting Practitioner, an Information
4 Technology Practitioner, an Insolvency Practitioner, a Corporate and Public
5 Finance Practitioner, a Management Consultant, and such other ancillary
6 areas of Practice which may by Regulations made by the Council subject to
7 the approval of the Minister be designated as services constituting the
8 practice of a Chartered Accountant.

9 22. Section 15 of the Principal Act is amended by renumbering
10 same as Section 16 and inserting immediately after subsection(3) a new
11 subsection (4) that is:

Amendment of
Section 15 and
renumbering as
section

12 "(4)" the Council may organize, establish, finance and maintain a
13 scheme, system or arrangements for practice assurance, consisting of the
14 inspection, monitoring and review of the professional and business
15 efficiency and competence of;

16 (a) Any member or Firm which is wholly or partly composed of
17 members engaged in practice;

18 (b) Any member who holds a current practising licence".

19 23. Section 16 of the Principal Act is amended by renumbering
20 same as Section 17 and inserting immediately after the existing subsection

Amendment of
Section 16

21 (b) the following new subsections (c) and (d) that is:

22 (c) make grants to universities or other educational establishments,
23 and endow professorial chairs;

24 (d) publish or distribute books, manuals, pamphlets and journals
25 relating to the affairs of the Institute or promoting and furthering the
26 interests, usefulness and efficiency of members and others or of the
27 accountancy profession generally.

28 24. The Principal Act is amended further by renumbering the
29 existing Section 17 as Section 18, and the existing Section 18 as Section 19
30 respectively.

1 "Registered Accountant" means a member of the Institute who is not a Fellow
2 or an Associate member;

3 "Register" means the register maintained in pursuance of section 6 of this Act;
4 Tribunal has the meaning assigned to it by section 11 of this Act.

5 29. The Principal Act is amended by renumbering the existing
6 section 20 as the new Section 24,

Short title

7 30. This Bill may be cited as the Institute of Chartered Accountants of
8 Nigeria Act (Amendment) Bill, 2017.

9 31. The first schedule to the Principal Act is amended:

10 1.-(a) By inserting immediately after the existing paragraph 1(3) a
11 new sub paragraph (4) that is:

12 (4) "an Appointed member of the Council shall not be elected by
13 Council into the Executive Coordinating Committee of Council."

14 (b) By substituting the existing Paragraph 1 (4) for the following new
15 sub paragraph 1 (5) and renumbering same accordingly that is:

16 (5) Any member other than the immediate past president, who retires
17 from or otherwise ceases to be an elected member of the Council, shall be
18 eligible for re-election into the Council;

19 (c) By inserting immediately after the new paragraph 1(5) a new sub
20 paragraph (6) that is:

21 (6) An appointed member of the Council shall serve for one term of
22 three years only and shall not be eligible for re-appointment thereafter,

23 (d) By substituting the existing paragraph 1 (5) for the following new
24 sub paragraph and renumbering same as paragraph 1 (7) that is:

25 (7) The Council shall at least three months before the annual General
26 meeting of the Institute announce the vacancies in its membership:

27 (e) By renumbering the existing sub paragraph (6) as (8) and the
28 existing sub paragraph (7) as (9) respectively;

29 (f) By substituting the existing paragraph 4 with the following new
30 paragraph that is:

1 4. The quorum of the Council shall be ten; and the Council shall
2 fix the quorum of a committee of the Council excluding the ECC.

3 (g) By substituting the existing paragraph 5(3) with the following
4 new sub paragraph (3) that is:

5 (3) "The quorum of any general meeting of the Institute shall be
6 fifty members and that of any special meeting of the Institute shall be
7 Seventy-five members".

8 (h) By substituting the existing paragraph 6(2) with the following
9 new sub paragraph (2) that is:

10 (2) "At any meeting of the Council, the Chairman or in his absence,
11 any member of the Executive Coordinating Committee of Council in order
12 of hierarchy shall preside; but if all are absent, the members present at the
13 meeting shall appoint one of the members at that meeting to preside".

14 (i) By substituting the existing paragraph 7(2) with the following
15 new sub paragraph (2) that is:

16 (2) "A committee appointed under this paragraph shall consist of
17 the number of persons determined by the Council, of whom not less than
18 one-fifth shall be members of the Council; and a person other than a member
19 of the Council shall hold office on the committee in accordance with the
20 terms of the instrument by which he is appointed."

21 (j) By inserting immediately after the existing paragraph 7(3) a
22 new paragraph 7(4) that is:

23 (4) "Faculty Boards, as constituted from time to time shall be
24 Committees of the Council".

25 32. The Third Schedule to the Principal Act is amended by
26 substituting therefore the following new Paragraph 1, that is;

27 (1) "The quorum of the Tribunal shall be four one of whom shall be
28 the President and Chairman of the Council or the Vice President and Vice
29 Chairman of Council".

30 33. The schedule to the Principal Act is amended further by

1 inserting immediately after the third schedule, a new Fourth Schedule that is:

2 FOURTH SCHEDULE

3 *Faculties*

4 Pursuant to Section 20 of this Act the faculties of the Institute as presently
5 constituted are:

6 (1) Auditing, investigations and forensic accounting;

7 (2) Taxation and fiscal policy management;

8 (3) Consultancy and information Communications Technology;

9 (4) Insolvency and corporate re-engineering;

10 (5) Public Finance Management; and

11 (6) Corporate Finance Management.

12 The objects and duties of the Faculties shall be:

13 (a) To register members into the faculties;

14 (b) To conduct research, seminars and other activities in furtherance
15 of its area of specialization;

16 (c) To issue guidelines for its members' practice;

17 (d) To monitor compliance with practice guidelines and standards
18 issued from time to time by the faculties and refer all breach to the Institutes'

19 Investigating Panel.

20 (e) To liaise with relevant committees of the Institute to achieve the
21 overall objectives of the Institute",

EXPLANATORY MEMORANDUM

This Bill seeks to amend the Institute of Chartered Accountants of Nigeria Act 1965 to amongst other things make the Institute more responsive to the changing needs of the Institute's members and, address the emerging trends in the Nigerian Economic Environment.