

# THE INSTITUTE OF CHARTERED ACCOUNTANTS OF NIGERIA

## RESOLUTION OF COUNCIL OF THE INSTITUTE TO BE RATIFIED AT THE ANNUAL GENERAL MEETING OF MAY 31<sup>st</sup>, 2019.

Pursuant to resolutions proposed and passed at the Council meeting of the Institute held on the 24<sup>th</sup> day of April 2019, Council resolved as follows:

### REVIEW OF MEMBERS' SUBSCRIPTIONS

That the Annual subscription payable by members be increased as follows:

- Associates from N12,500 (Twelve Thousand Five Hundred Naira) to N22,500 (Twenty Two Thousand Five Hundred Naira)
- Fellows from N22,500 (Twenty Two Thousand Five Hundred Naira) to N37,500 (Thirty Seven Thousand Five Hundred Naira)

This shall be effective from 1<sup>st</sup> January, 2020.

### BY ORDER OF COUNCIL OF THE INSTITUTE OF CHARTERED ACCOUNTANTS OF NIGERIA RATIONALE FOR INCREASE IN ANNUAL SUBSCRIPTIONS

The economic situation in the Country over the last few years has impacted negatively on the finances of the Institute. Your Institute had embarked on some projects that were designed to enhance its presence such as the building of ten (10) Lecture Theatres in Tertiary Institutions in the Country and the support of District Societies in constructing their own District Office buildings. The Institute has also supported students to acquire reading texts due to the dearth of standardised study materials especially after the upgrade of the syllabus in 2014.

It was not envisaged at that time that the Naira exchange rate to the Dollar would fall sharply from about N150 to \$1 to a peak of over N450 to \$1 before stabilising at around N360 to \$1 today.

In order to maintain its presence in the profession, your Institute which was part of the founding members of IFAC, PAFA and ABWA has continued to pay subscription to these bodies which are denominated in USD. The rates for compilation of these subscriptions are based on the number of members and for each of the bodies. However, your Council has been able to peg the subscription payable to the amounts actually recovered from members which stand at an average of 17,000 members out of over 46,000 or 37% in the last 3 years. The average recovery of members' subscriptions in other PAO is about 80%.

The Institute was also able to peg the amount payable further on the grounds of hardship to:

BODIES	2017 (\$)	2018 (\$)	2019 (\$)
IFAC	88,600	95,200	85,000
PAFA	88,600	95,200	85,000
ABWA	82,080	82,080	72,530

Also, the Council approved Life Assurance Scheme for financial members with sums assured for Fellows ₦2million and Associates ₦1.5million. The premiums for these were recently increased due to an upward review in rates approved by NAICOM.

The effects of the above for years 2018 and 2019 are as follows:

	2018 & 2019			
	Associate ₦		Fellow ₦	
<b>SUBSCRIPTION</b>		<b>10,000</b>		<b>20,000</b>
IFAC	2,160		2,160	
PAFA	2,160		2,160	
ABWA	1,800		1,800	
CAW	300		300	
Insurance Premium	1,875		2,500	
APBN & NESG	125		125	
<b>Total</b>		<b><u>8,420</u></b>		<b><u>9,045</u></b>
Net Contribution		<b><u>1,580</u></b>		<b><u>10,955</u></b>

From the above, it is clear that the contribution of subscriptions to the finances of the Institute is very negligible as against a standard of about 40% in members' organizations such as ours.

The Members' Annual Subscriptions were last reviewed in May 2011 and became effective from January 2012 to date, a period of 8 years.

In addition, the costs of services received from suppliers and service providers have gone up due to the general inflationary environment in the country and its attendant effect on cost.

All these have major effects on the lean finances of the Institute.

It is therefore with great reluctance that the Council considered and approved the request for increase in Members subscriptions as follows:

	Associates	Fellows
	₦	₦
Subscription as at 2019	10,000	20,000
Faculties (1)	2,500	2,500
	<u>12,500</u>	<u>22,500</u>
Amount w.e.f 2020	<u>22,500</u>	<u>37,500</u>

Our rate is one of the lowest when compared with other PAOs. See appendix A for comparative figures.

With the approval of the proposed increases, your Institute will continue to:

- a. Enhance the capacity of the secretariat to render quality services to members and other stakeholders.
- b. Finance strategic plans of the Institute such as construction of District offices and maintenance of newly acquired software aimed at repositioning it for the next decade.
- c. Provide financial support for the growing influence and image of ICAN within IFAC, PAFA, ABWA and CAW.
- d. Fund the fledging status of the Institute amongst professional bodies.
- e. Defend the ICAN Act particularly in the light of recent proliferation of Accountancy bodies in Nigeria is a wakeup call to defend our Act.
- f. Continue to fund the premium payment of the Group Life Assurance for members which currently stands at N1,875 and N2,500 for Associates and Fellows respectively. The lump sum payment to the next-of-kin of a deceased member in fellowship cadre has been increased from N1.5million to N2million.
- g. Continue to support District Societies who are now saddled with responsibilities such as "Catch Them Young" programme hitherto handled by the secretariat.
- h. Continue to support members in the academia. Currently the Institute offers a PhD grant of ~~N~~500,000 to members and a donation of N1million towards professorial inaugural lecture.
- i. Enhance examination processes. The Institute is commencing on-screen marking of scripts from May 2019 diet.
- j. Continue to service the Students Special Project (SSP) for the educationally disadvantaged regions of the country, where the Institute and interested state governments contributes 50% each to train students for ICAN examinations.
- k. Support students by providing current study texts materials with little or no cost on students' fees including subscriptions, exemptions and examinations.
- l. Monitoring of members in practice to Enhancing the Quality Service delivery by members through effective practice monitoring initiative and capacity building.
- m. Sustaining the Institute's Accountability Index initiative.

**ALHAJI RAZAK A. JAIYEOLA B.Sc; ACFE; CRISC; FCA  
PRESIDENT/ CHAIRMAN OF ICAN GOVERNING COUNCIL**

## APPENDIX A

### SUBSCRIPTION FEES OF PROFESSIONAL ACCOUNTING ORGANIZATIONS

SN	INSTITUTES	ANNUAL SUBSCRIPTION (ASSOCIATE)		ANNUAL SUBSCRIPTION (FELLOW)		LICENCE RENEWAL	
		FOREIGN CURRENCY	N	FOREIGN CURRENCY	N	FOREIGN CURRENCY	N
1	SOUTH AFRICAN INSTITUTE OF CHARTERED ACCOUNTANTS (SAICA)	R 7,178.35	178,225.20	R 7,178.35	178,225.20		
2	INSTITUTE OF CHARTERED ACCOUNTANTS, ENGLAND AND WALES (ICAEW)	£365	166,172.35	£365	166,172.35		
3	ZAMBIA INSTITUTE OF CHARTERED ACCOUNTANTS (ZICA)	ZK 4,550	126,054.14	ZK 4,550	126,054.14		
4	ASSOCIATION OF CERTIFIED CHARTERED ACCOUNTANTS (ACCA)	£246	111,995.54	£246	111,995.54		
5	CERTIFIED PUBLIC ACCOUNTANTS, CANADA (CPA)	CAD\$ 400	106,673.97	CAD\$ 400	106,673.97		
6	INSTITUTE OF SINGAPORE CHARTERED ACCOUNTANTS (ISCA)	S\$ 214	55,811.61	S\$ 615.62	160,554.88		
7	INSTITUTE OF CHARTERED ACCOUNTANTS OF GHANA (ICAG)	GH¢500	34,201.95	GH¢500	34,201.95		
8	INSTITUTE OF CHARTERED ACCOUNTANTS, SRI LANKA	Rs 15,000	30,393.03	Rs 18,500	37,484.82		
9	ASSOCIATION OF NATIONAL ACCOUNTANTS OF NIGERIA (ANAN) +IFAC DUES		20,000.00		20,000.00		65,000.00
10	INSTITUTE OF CHARTERED ACCOUNTANTS OF NIGERIA (ICAN)		10,000.00		20,000.00		15,000.00