



**THE INSTITUTE OF CHARTERED ACCOUNTANTS OF NIGERIA**

(Established by Act of Parliament No.15 of 1965)

# ACCOUNTANCY: A DISCIPLINED PROFESSION

At The  
63<sup>RD</sup> INDUCTION CEREMONY  
Delivered by

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# OUTLINE

- A tradition of guiding new members into the profession.
- Providing insights into the structure and operations of the Institute and its disciplinary procedure.
- Providing guidance on current ethical issues members will probably face as Chartered Accountants

# ICAN

- Established by the Act of Parliament No.15 of 1965 to set standards and regulate the practice of accountancy in Nigeria and to review those standards from time to time as circumstances permit.
- Professional Membership currently stands at 46,865 Chartered Accountants
- A total of 1,631 members would be inducted at this 63<sup>rd</sup> Induction Ceremony
- 6 Registered Accountants would be inducted

# STRUCTURE

- Governing Council - the highest policy making body.
- Executive Coordinating Committee (ECC).
- Standing Committees
- Registrar/Chief Executive
- Secretariat

# STANDING COMMITTEES

Finance And General Purposes Committee	Publications & Image Committee	Accountants' Investigating Panel
District Societies Committee	Professional Practice Monitoring Committee	Accountants' Disciplinary Tribunal
Electoral Matters Committee	Information Technology Committee	Building / Projects Committee
Technical, Research And Public Policy Committee	Inter-Governmental Relations Committee	ATSWA Committee
Membership Affairs Committee	AATWA Executive Committee	Faculties Management Committee
Members' Education & Training Committee	Students' Special Project Committee	Mutual Cooperation Agreement With Tertiary Institutions Implementation and Monitoring Committee
Professional Examinations Committee	Strategy Advocacy, Performance Tracking Committee	Employment and Entrepreneurship Committee
Students' Affairs Committee	Students' Investigating Committee	Small And Medium Practice Monitoring Committee
Annual Accountants' Conference Committee	AAT Investigating Committee	Young Accountants Networking Committee
		LOC – World Congress of Accountants Committee

# REGISTRAR/CHIEF EXECUTIVE

- Registrar - Establishing and maintaining the registers of Fellows, Associates and Registered Accountants.
- Chief Executive Officer - assist the Council in day-to-day administration of the Institute.

# SECRETARIAT

- Administrative organ of the Institute
- The Secretariat is structured into directorates which is made up of 17 Departments including the Registrar's Office.

# FACULTIES

Audit, Investigation & Forensic Accounting Faculty

Taxation & Fiscal Policy Faculty

Insolvency & Corporate Re – Engineering Faculty

Consultancy And Information Technology Faculty

Public Finance Management Faculty

Corporate Finance Management Faculty

Financial Reporting Faculty



# DISTRICT SOCIETIES & CHAPTERS

The Institute has a total of 55 District Societies in most state capitals and principal cities in Nigeria.

Also, there are 5 International District Societies in the United Kingdom, the United States of America, Canada, Cameroun and Malaysia.

# MEMBERSHIP

Members admitted to the Institute shall be enrolled as Chartered Accountants in the category of –

## Fellows

Five years Rule - been in continuous practice on their own account as accountants or in partnership with other accountants;

Ten years next rule - whether in practice as accountants or not

- **Associates** if they satisfy the Governing Council that they have:
  - i. passed examinations prescribed or accepted by the institute and
  - ii. are otherwise fit persons to be enrolled in the register.
- **Registered Accountant**

# MEMBERS IN PRACTICE

## CONDITIONS FOR ISSUANCE OF LICENCE TO PRACTISE

The member must:

- be a professionally qualified member of the Institute.
- have acquired a minimum of 36 months of continuous practical experience, either before or after qualifying as a Chartered Accountant, in a firm licensed by the Institute or other professional accountancy bodies recognized by the Institute to practice as a Chartered Accountant
- have paid his/her subscriptions and dues up to date
- have paid the application fee
- have obtained minimum credit hours through attendance of MCPE and other Institute's activities
- active member of a District Society
- have satisfied any other condition(s) that might from time to time be stipulated by the Institute

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# ETHICS

- A distinguishing mark of the accountancy profession is its acceptance of the responsibility to act in the public interest.
- In acting in the public interest, a professional accountant shall observe and comply with the Code of Ethics of the profession.

# ETHICS SETTING BODIES

- **International Federation of Accountants (IFAC)** contributes to the development, adoption, and implementation of high-quality international ethics standards for accountants, primarily through its support of the International Ethics Standards Boards for Accountants (IESBA).
- **(IESBA)** is an independent standard-setting body that develops an internationally appropriate Code of Ethics for Professional Accountants

# THE CODE

The Code establishes the fundamental principles of professional ethics for professional accountants and provides a conceptual framework that professional accountants shall apply to:

- Identify threats to compliance with the fundamental principles;
- Evaluate the significance of the threats identified; and
- Apply safeguards, when necessary, to eliminate the threats or reduce them to an acceptable level.

# THE CODE Cont'd

The Code contains three parts –

- Part A establishes the fundamental principles of professional ethics for professional accountants and provides the conceptual framework.
- Part B applies to professional accountants in public practice.
- Part C applies to professional accountants in business.

# FUNDAMENTAL PRINCIPLES

- Integrity
- Objectivity
- Professional Competence and Due Care
- Confidentiality
- Professional Behaviour



# THREATS TO THE FUNDAMENTAL PRINCIPLES

- Self-interest threat
- Self-review threat
- Advocacy threat
- Familiarity threat and
- Intimidation threat.

# CONCEPTUAL FRAMEWORK APPROACH TO FUNDAMENTAL PRINCIPLES

- The circumstances in which professional accountants operate may create specific threats to compliance with fundamental principles.
- The Code establishes a conceptual framework that requires a professional accountant to identify, evaluate, and address threats to compliance with the fundamental principles.
- The conceptual framework approach assists professional accountants in complying with the ethical requirements of this Code and meeting their responsibility to act in the public interest.

# SAFEGUARDS TO THREATS

Safeguards are actions or other measures that may eliminate threats or reduce them to an acceptable level, There are two types:

- Safeguards created by the profession, legislation or regulation; and
- Safeguards in the work environment.

# PART B

## PROFESSIONAL ACCOUNTANTS IN PUBLIC PRACTICE

- Professional Appointment
  - Client Acceptance*
  - Engagement Acceptance*
  - Changes in a Professional Appointment*
- Conflicts of Interest
- Fees and Other Types of Remuneration
- Second Opinions
- Marketing Professional Services
- Gifts and Hospitality
- Custody of Client Assets
- Objectivity
- Independence

# PART C

## PROFESSIONAL ACCOUNTANTS IN BUSINESS

- Conflicts of Interest
- Preparation and Reporting of Information
- Acting with Sufficient Expertise
- Financial Interests, Compensation, and Incentives linked to Financial Reporting and Decision making
- Inducements
  - Receiving Offers
  - Making Offers

# ICAN AND THE CODE

- The Code of Ethics for Professional Accountants has been revised and became effective July 15, 2017
- ICAN is adapting the code to suit the Nigeria environment

# PROFESSIONAL DISCIPLINE IN ICAN

- Rules of Professional Conduct for members exist for all members and breach of any of the regulations is subject to sanctions.
- The Institute is statutorily empowered to have an Investigating Panel and Disciplinary Tribunal.
- Whenever an allegation of professional misconduct is levelled against any member, the matter is referred to the Panel for thorough investigation.

# ICAN INVESTIGATING PANEL

Section 11(3) of the Institute's Act provides for the establishment of an Investigating Panel, members of which shall be appointed by Council and shall consist of two members of Council and one Chartered Accountant who is not a member of Council.



# DUTIES OF ICAN INVESTIGATING PANEL

- Conducting preliminary investigations into any case where it is alleged that a member has misbehaved in his capacity as an accountant or should for any other reason be the subject of proceedings before the Tribunal
- Deciding whether the case should be referred to the Disciplinary Tribunal.

# ICAN DISCIPLINARY TRIBUNAL

- Section 11(1) of the Act provides that: there shall be a tribunal to be known as the Accountants' Disciplinary Tribunal.
- The tribunal is charged with the duty of considering and determining any case referred to it by the Panel and any other case which, the Tribunal has cognizance.
- Arising from this, the Tribunal re-examines the case before taking any disciplinary measure against an erring member.

# COMPOSITION & POWERS: ICAN DISCIPLINARY TRIBUNAL

- The Tribunal consists of seven members of Council with the President as the Chairman.
- The Tribunal has the power of a Federal High Court.
- Appeals on its decisions lie with the Court of Appeal and thereafter to the Supreme Court.
- The Institute's enabling Act empowers Council to make rules as to "acts which constitute professional misconduct".

# NON COMPLIANCE WITH LAWS AND REGULATIONS (NOCLAR)

- NOCLAR, sets out a framework to guide professional accountants about what actions they must take when they become aware of a potential illegal act committed by a client or employer.
- It applies to all categories of professional accountants, including auditors, other professional accountants in public practice, and professional accountants in organizations, including those in businesses, government, education, and the Not-for-Profit Sector.
- The Code plays a unique role in supporting the accountancy profession in acting in the public interest as, it addresses breaches of laws and regulations that deal with matters such as fraud, corruption and bribery, money laundering, tax evasion, illicit financial transactions, environmental pollution, and breach of public health and safety.

# INTERNATIONAL AFFILIATIONS

## International Federation of Accountants (IFAC)

The Institute is a prominent member of the International Federation of Accountants IFAC and was one of the 12 global Professional Accountancy Organisations (PAOs) that came together and founded IFAC in 1977. It is part of our IFAC membership obligations to comply with all international standards and Code of Ethics for professional accountants.

# INTERNATIONAL AFFILIATIONS Cont'd

## Pan African Federation of Accountants (PAFA)

The Institute has also played important leadership roles for the Accountancy Profession in the African region resulting PAFA.

# INTERNATIONAL AFFILIATIONS Cont'd

- Association of Accountancy Bodies in West Africa (ABWA)

In Africa, ICAN has remained committed to making Nigeria the hub of the accountancy profession in West Africa with strategic objectives to support the development of the profession across the entire West Africa region. Towards this end, in 1982, ICAN invited ICA Ghana to join hands with it to form a regional association of accountants ABWA with clear objective to amongst others encourage each country in WA set up a structured PAO that will regulate and monitor the practice of accountancy in its jurisdiction. Today, ABWA have 15 member PAOs in 14 West African Countries and has a strong MOU with ECOWAS to strengthen integration and harmonisation in the region.

# INTERNATIONAL AFFILIATIONS Cont'd

## Mentoring

ONECCA Cameroon

ONECCA Niger

Liberian Institute of Certified Public Accountants

The Gambia Institute of Chartered Accountants

## Discussions

ICAEW

SAICA

CPA Canada

MIA, Malaysia

CIMA

AICPA



THANK YOU