

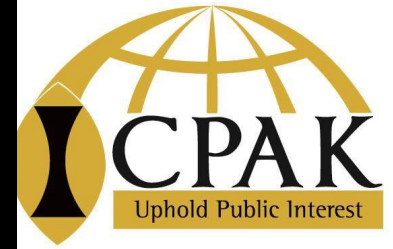


# Practitioners' Induction Workshop

By  
CPA Nebart Avutswa  
Chief Manager, Professional Services Division,  
ICPAK

The CPA Centre 11<sup>th</sup> floor, Nairobi  
28<sup>th</sup> January, 2019

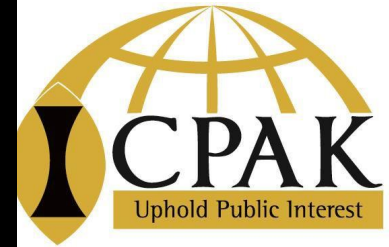
# Background Information



## **Amendments to the Accountants' Act, and their impact on the practice**

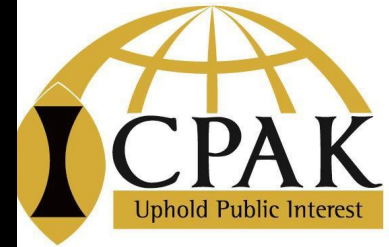
- FINANCE BILL 2018

# Background Information



- The amendments were tabled as part of the Finance Bill 2018. On 21<sup>st</sup> September 2018, the president assented the bill into law.
- The amendments are contained in Section 74-83 of the Finance Act 2018.

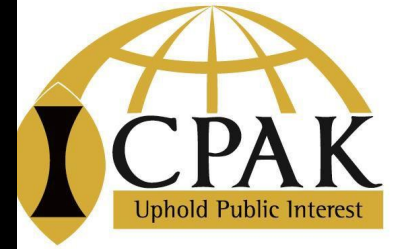
# Background Information



Not previously in the Accountants Act no 15 of 2008 under interpretations:-

- “company” has the meaning assigned to it under section 2 of the Companies Act, 2015;

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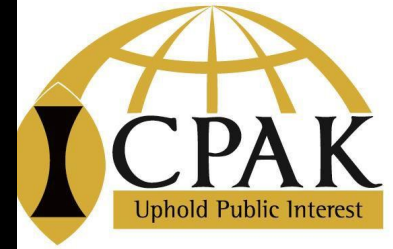


•74. ‘accountancy’ means practice in accounting, financial reporting, control systems, systems auditing, auditing, assurance, forensic accounting and auditing, finance, financial management, public finance management, taxation, financial risk management, management accounting and advisory services related thereto; and

## **Legal implication**

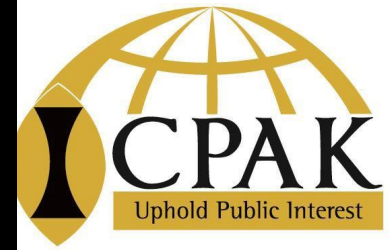
This definition outlines the various facets in accountancy that will allow for the prescription of the **remuneration** order and also allow for the issuance of **multiple licenses**

# Section 8 of the Accountants Act. The functions of the Institute....



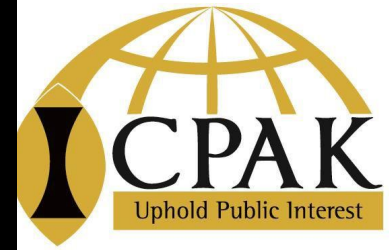
- **76.** Section 8 of the Accountants Act, 2008 is amended by inserting the following new paragraph immediately after paragraph (f)—
- (fa) prescribe the remuneration order for the accountancy profession with the approval of the Cabinet Secretary responsible for finance.
- This amendment adds another function of the Institute which is **to come up with a remuneration order for accountants**

# Under Section 18 (2) of the Accountants Act the Requirements for a practicing



- Under **S. 78**. Section 18 of the Accountants Act, 2008 is amended in subsection (2) by deleting the words “one hundred thousand” and substituting therefor the words “five hundred thousand”.
- This amendment has enhanced the penalty of practicing without a license from one hundred thousand shillings to five hundred thousand shillings.

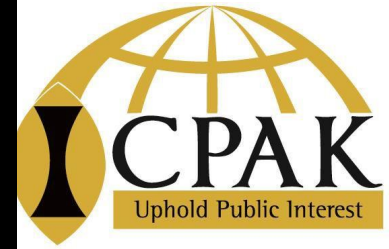
# Under the Accountants Act, S.21 (7) Where a practicing certificate ceases to be in force



- Under **S. 79**. Section 21 of the Accountants Act, 2008 is amended in subsection (8) by deleting the words “five thousand” and substituting therefore the words “five hundred thousand
- This amendment has enhanced the penalty for not returning the practice license that ceases to be in force within fourteen days from five thousand shillings to five hundred thousand shillings.

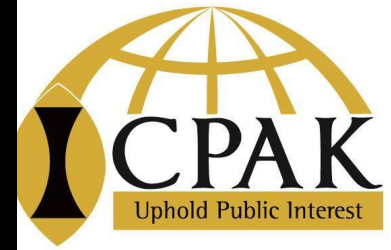


# In the Accountants Act S. 24. Application for registration



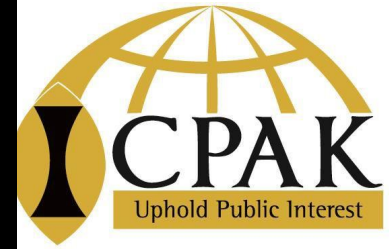
- **S.80** Section 24 of the Accountants Act, 2008 is amended in subsection (5) by deleting the words “fifty thousand” and substituting therefor the words “five hundred thousand”
- This amendment has enhanced the penalty for a person who willfully makes a false or misleading statement commits an offence from fifty thousand shillings to five hundred thousand shillings.

# Not previously in the Accountants Act no 15 of 2008 under interpretations



- Under **S. 81**. Section 30 of the Accountants Act, 2008 is amended by inserting new requirement for accountants to observe the code of ethics and applicable standards over client or organization instruction. There is a member protection clause for all accountants

## 41. Offences



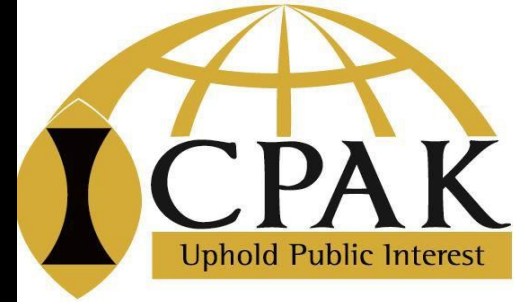
•**82.** Section 41 of the Accounts Act, 2008 is amended by deleting subsection (4) and enhancing the penalty for a person or firm that uses wrongly the designation of CPA and FCPA to a fine not exceeding two million shillings, and, in the case of a continuing offence, a further fine not exceeding two thousand shillings for each day on which the offence continues.

## 4. (1) For the purpose of the conduct of the inquiry the Disciplinary Committee

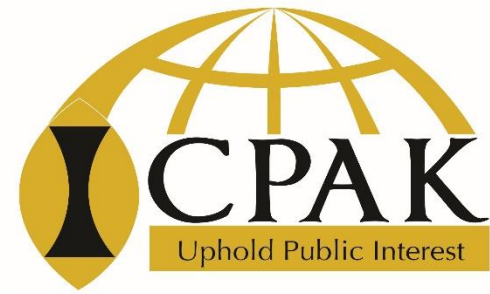


- **82.** The Fifth Schedule to the Accountants Act, 20018 is Amended and has enhanced the penalty for disciplinary on a person or firm to recover in whole or in part the costs of the inquiry not exceeding one million from any or all the parties involved in the proceedings

# Life Cycle of a Practitioner



The End



**THANK YOU!**