



FIJI INSTITUTE OF ACCOUNTANTS

SUBMISSION TO THE PARLIAMENTARY STANDING COMMITTEE ON JUSTICE,
LAW AND HUMAN RIGHTS
Thursday 28 October 2021

INTRODUCTION

The Fiji Institute of Accountants Act was first introduced as an Act in 1971 (No 43 of 1971) and was brought into force on 11 February 1972. Since its introduction the FIA Act has been amended twice: once in 1982 by Act No 9 of 1982 (May) and subsequently in 1997 by Act No 12 of 1997 (June).

This is an Act of Parliament. Although the Fiji Institute of Accountants is largely a self-regulating body it does not have the authority or the power to change provisions of the Act. However, it can make recommendations for the changes to the Act.

The Institute's Act and Rules Committee is responsible for any review and amendments of the FIA Act, the Rules and By-Laws which governs the Institute. The Committee held extended meetings during 2004, 2005 and 2006 to review a considerable number of proposals for possible amendments to the FIA Act, the Rules and By-Laws. These were adopted by a large majority at a Special General Meeting held on 27 April 2006.

During 2015 the Act and Rules Committee re-examined the amendments that had been proposed in 2006 and recommended to Council a number of additional amendments, including several resulting from provisions in the new Companies Act, which was published in mid-2015 but not brought into force until January 2016, that were subsequently endorsed by the Council.

These proposed additional amendments were circulated to all members of the Institute for their comments and feedback. After receiving the feedback from our members, the revised proposed amendments were collated and incorporated together with the previous amendments, in preparation for discussion with the Ministry of Economy (formerly Finance).

In 2017, the Acts and Rules Committee once again engaged with officials from the Office of the Solicitor General (SG) to review the proposed amendments and clarified issues regarding changes to the Act. Keeping in mind its vision to be a world class body that provides leadership and builds trust in the accounting, assurance, finance and business advisory profession in Fiji and the region, the Committee looked into the draft Bill that was supplied to the Institute early in July 2017 incorporating the majority of the amendments sought.

It was particularly welcome that the proposed new disciplinary procedures (a major feature of the amendments) had been included unchanged and the general format and layout closely followed the recommendations put forward. Further works continued in 2019 and the Institute did receive some indication that the draft Bill would be on the 2020 Parliamentary agenda.

In 2020 the Committee met and re-commence discussions on the SG's Office proposed changes to the FIA Act. The meetings were held progressively throughout the year and as a result there was significant progress with this. An important feature of these meetings was the alignment of the terminology of our Rules and By-Laws. The SG's office recommended that the Rules should be re-styled as Regulations and the By-Laws as Rules and this was agreed in principle by the Committee.

A number of sections in the current Act were requested to be moved to the Regulations as it was agreed that the Act should only contain the basic structure of the Institute where changes are only possible after it has been passed by Parliament. The identified sections areas should be part of the Regulations and any changes here would be made with the Minister's approval. The By-Laws are approved by Council.

Discussions related to working on proposed amendments to the FIA Rules/Regulations also commenced and it was noted that the Act and the Rules/Regulations must be both ready at the same time as they work in tandem.

This proposed draft Bill had been circulated to members for their views and where appropriate the feedback have been incorporated in this Bill in liaison with the SG.

The changes in the business environment and developments within the Accounting profession in the past 50 years have highlighted this need to review the FIA Act with a view to replacing it with new legislation to align with today's legislation and practices. This is an important milestone for the Institute especially as we head to our 50th anniversary next year.

The Bill is now cited as The Fiji Institute of Chartered Accountants Bill 2021 and seeks to address the requirement of todays accounting profession in terms of registration and regulation, and updates the categories and requirements for memberships to the Fiji Institute of Accountants.

The Bill also seeks to inter alia to remove obsolete provisions from the law such as provisions on licensed accountants given that this term is no longer used; instead those who wish to be members of the Institute are registered according to their qualifications that correspond to the current categories for membership, i.e Chartered Accountants, Chartered Accountants in Public Practice, Chartered Accountants in Limited Public Practice, Associate Accountants, Accounting Technicians and Fellows, which then entitle them to provide their accounting services accordingly.

One of the most important changes to the Bill is the inclusion of a new category of membership to the Institute - Chartered Accountants in Limited Public Practice. This will see more members will be able to provide accounting services to the public of Fiji in greater areas of the Nation, subject to meeting the requirements. This democratization of accounting services in Fiji will also allow individuals to set up accounting firms of their own and provide services to a larger part of the community. It will create level playing field and will create business and employment opportunities. It will also mean that micro, small and medium enterprises would be able to more readily and inexpensively access professional accounting services.

SIGNIFICANT CHANGES TO THE ACT

The Fiji Institute of Chartered Accountants Bill 2021 took into account the changes in the business environment and the developments within the accounting profession in the past 50 years and have come up with a modern and practical Bill. The Bill is committed to a strong, active and devoted sense of duty to our members and communities and it fosters public confidence in the accounting, assurance, finance and business advisory professionals by upholding the public interest. The Bill encourages and directs our members towards the highest ideals of professionalism and ethical standards and commitment to delivery of quality services.

The Bill ensures that our members maintain professional knowledge and skill at the level required to ensure the public receives competent professional services based on the current development in practice, legislation and techniques and act diligently and in accordance with applicable technical and professional standards.

Highlighted below are some of the important changes to the Bill:

- Renamed as Fiji Institute of Chartered Accountants in line with the Accounting profession globally. With our 50th Anniversary in 2022, the change was a timely rebranding of the Institute.
- The term of the Council member is now capped at 3 terms. The current Act had no cap to the term of the Council member which meant that the member could have continued to be in the Council for indefinite period of time.
- Term of the President and Vice President increased to 2 years from current 1 year term. This gives more time to the President and Vice President to carry out the strategic level duties at the Institute.
- Membership categories expanded/rationalized/renamed
 - Chartered Accountant with a Certificate of Public Practice or a Certificate of Limited Public Practice. As highlighted above we have now opened up this category to have more CPP's around the Nation to better serve our nation.
 - Fellows – Introduction of this category to recognize significant contribution to the profession by our members.
 - Provisional Members restyled as Associate Accountants
 - Affiliate Accountants restyled as Accounting Technicians
 - Removal of Licensed Accountants to remove obsolete provision from the law.
- Major changes have been done to the Professional Conduct Part 5 of the Bill. This part primarily deals with the complaints against the members of the Institute.
 - Investigation Committee renamed Assessment Committee. Assessment Committee consists of 3 members of the Council, one of whom is to be appointment as chairperson by the Council and 2 non-Council members from Disciplinary Panel. Assessment Committee is responsible for the examination and assessment of any written complaint referred to it by the Executive Director which has been lodged against any member of the Institute.
 - The Bill defines the Disciplinary Committee which the Council may appoint from amongst the members of the Disciplinary Panel to deal with any complaint against a member of the Institute referred by the Assessment Committee.

- Disciplinary Committee is selected by the Council from the Disciplinary Panel which is made up of 20 members: 10 Chartered Accountant members of the Institute who have been members for 5 years and more, and 10 who are not members of the Institute and not employed in the Accounting profession in line with good governance.
- The Bill clearly articulates the Powers of the Disciplinary Committee.
- The Bill also has the Appeal procedure for members who would want to appeal against the decision of the Disciplinary Committee. The Council will then appoint the Appeal Committee and here the members are selected from the Disciplinary Panel. Council is no longer the appeal body and is separate from the full disciplinary process now.
- FIA Rules renamed FIA Regulations
- FIA By-Laws renamed FIA Rules

REQUEST FOR SOME MINOR CHANGES TO THE BIL

The Council has picked up some errors to the Bill and would like to make the following suggestion to rectify these errors. We would like to request changes to the following sections of the Bill:

1. Section 18 (3) (d) – this particular sub-section needs to be a standalone and be separate from Section 18 (3) (a) (b) (c).
2. Section 30 (1) (a) – to read as “10 are Chartered Accountant members of the Institute who have been members for not less than 5 years and cannot be a Council Member:”
3. Section 32 (3) to be amended to read – No such penalty may be imposed in subsection (2) (c) in any case where a disciplinary committee is inquiring into any act or omission which constitutes an offence under any written law for which such member has been convicted by any court and which is punishable by imprisonment or fine.

CONCLUSION

The Institute strongly recommends that this Bill is passed by Parliament as it address the needs of the Accounting profession in today’s business environment with a view to widening our membership so that the Accounting profession continues to provide the highest level of Accounting services to our country and the region.