AUDITED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER, 2023

CONTENTS

CORPORATE INFORMATION

MEMBERS OF THE COUNCIL

Ms. Sena Dake	President
Mr. Augustine Addo	Vice-President
Mrs. Agnes Otoo-Yeboah	Member
Mr. Emmanuel Mc-Coffie Ankamah	Member
Dr. Isaac Nyame	Member
Mrs. Patience Mawushie Dzikunoo	Member
Mr. Kwasi Kwaning Bosompem	Member
Dr. Cynthia A. Sallah	Member
Dr. David Annan-Bonney	Member
Mrs. Ellen Abena Addo	Member
Mr. Paul Kwasi Agyemang	Member / CEO

SECRETARY TO THE COUNCIL

Mr. Osei Adjaye-Gyamfi

PRINCIPAL PLACE OF BUSINESS

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BANKERS

Ecobank Ghana Ltd.
Absa Bank Ghana Ltd
Republic Bank Ltd
Standard Chartered Bank Ghana Ltd
GCB Bank Ghana Ltd
Fidelity Bank Ghana Limited
UMB Bank Limited

AUDITOR

The Auditor General
Ghana Audit Service
Accra

REPORT OF THE COUNCIL

The Council is pleased to submit its annual report together with the audited financial statements of the Institute for the year ended 31st December, 2023 showing Members' Fund of **GHS74.8 million** made up as follows:

	2023 **GHS'000**	2022 GHS'000
Balance as at 1st January	**57,326**	47,786
Surplus For the year	**18,703**	8,853
Building Levy Contributions	**521**	570
Members Welfare Contributions	**192**	117
Balance as at 31st December	**74,835**	57,326

Results

The Statement of Financial Performance for the year ended 31st December, 2023 is set out on page 9.

Activities of the Institute

The Institute carried out its main functions as enshrined in the Institute of Chartered Accountants, Ghana Act, 2020 (Act 1058).

By Order of the Council

President

Date: April 22, 2024

Vice President

Financial Highlights

Revenue

The year 2023 saw significant revenue improvement, especially in key lines such as events, membership subscriptions and examinations. Revenue grew by 37% from GH¢40.7m in 2022 to GH¢55.8m in 2023. However, this is below the budget by 1%. The marginal reduction compared to the budget is mainly attributable to a fall in expected student numbers from 16,034 to 11,462. Additionally, training income reduced by 44% compared to the budget, mainly due to low enrolments.

A total of GHS1.6m subscriptions for the year have been accrued as additional receivables.

Expense

Total Expenses increased by 37% to GH¢51.4m in 2023 compared to year-end 2022 of GH¢37.6m. This is, however, below the budget by 8%. Significant increases were recorded in Professional Body Activities, which increased by 33% compared to the previous year due to the 60th anniversary activities and increased travel costs related to affiliate body meetings and conferences.

Employment Costs also increased by 20% compared to 2022 but below the 2023 budget. The variance in the 2023 actual and budget is mainly due to significant reduction in fuel costs compared to the anticipated price hikes in 2023.

Included in the cost of Examinations & Students' Activities is a GH¢3.1m Scholarship cost. In the bid to attract the brightest graduates into the accountancy profession, the Institute continues to offer scholarship packages to first-class Bachelor's degree & HND holders.

General Administrative Expenses also saw a significant increase of GH¢2.2m (61%) compared to 2022 and this represents 2% above the 2023 budget. The variance is mainly attributable to increase in costs of maintenance and the 60th Anniversary celebrations and its related administrative expenses incurred during the year.

Surplus from Operations

The increase in surplus from operations was 41% compared to 2022. This is primarily attributed to the revenue growth outpacing the increase in expenses. The year under review saw the Institute undertaking a number of non-income-generating activities related to the 60th Anniversary celebrations (Accountants in Praise, Anniversary Launch, etc.). However, the surplus from operations for the year is above the budget by about **GH¢3.9m (830%)**.

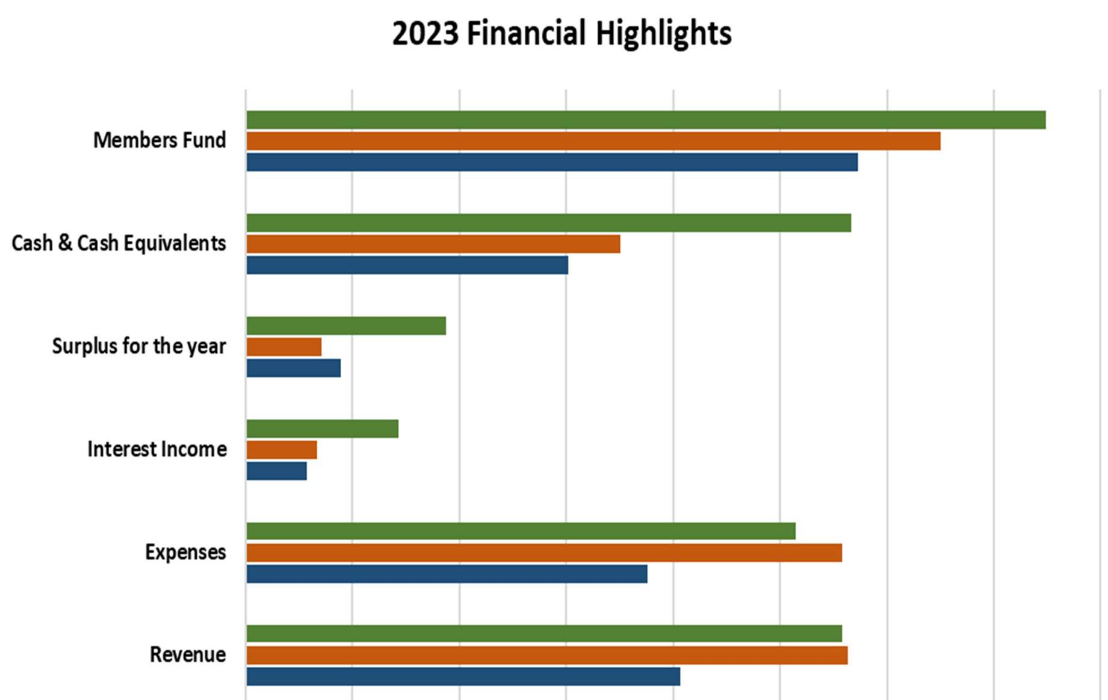
Interest Income & Surplus

Net Interest Income also significantly increased by about 150% to GH¢14.3m during the year under review. The anticipated losses from the risks associated with the DDEP have reduced significantly. The Institute received all its due coupons from the medium-long-term GOG bonds in 2023. Consequently, the impairment allowance made in 2022 have been partially reversed.

Investment income is however expected to reduce significantly as the Institute channels the funds into the major projects such as the construction of the auditorium and the development of a master plan for the Oyibi land. Management will therefore put in extra effort in revenue mobilization and efficient cost management in order to finance its operations.

Member's Fund

Members fund increased significantly by about **31%** to GH¢74m compared to GH¢57m in 2022. The increase is above the budget by 15%. This is mainly attributed to an GH¢18.7m surplus for the year, efficient enhanced operations and efficient management of costs and cash.



	Revenue	Expenses	Interest Income	Surplus for the year	Cash & Cash Equivalents	Members Fund
2023-Actual GH¢'000	55,849	51,440	14,294	18,703	56,675	74,835
2023-Budget GH¢'000	56,299	55,825	6,670	7,144	35,031	65,045
2022-Actual GH¢'000	40,705	37,577	5,725	8,853	30,127	57,326

INSTITUTE OF CHARTERED ACCOUNTANTS, GHANA

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF THE INSTITUTE

Report on the Audit of Institute of Chartered Accountants, Ghana's Financial Statements

Opinion

We have audited the financial statements of the Institute of Chartered Accountants, Ghana, which comprise the Statement of Financial Position as at 31 December, 2023, and the Statement of Financial Performance, Statement of Changes in Net Assets and Cash-Flow Statement for the year then ended, and the notes to the financial statements, set out on pages 9-26, including a summary of significant accounting policies and other explanatory notes.

In our opinion, the accompanying financial statements give a true and fair view of the financial position of the Institute as at 31 December, 2023 and of its financial performance and cash flows for the year then ended, in accordance with International Public Sector Accounting Standards (IPSAS) and in the manner required by the Institute of Chartered Accountants, Ghana Act, 2020 (Act 1058).

Basis for Opinion

We conducted the audit in accordance with International Standards for Supreme Audit Institutions. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of this report.

We are independent of the entity in accordance with the Code of Ethics for Supreme Audit Institutions together with the ethical requirements that are relevant to the audit of the financial statements in Ghana and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics. We believe the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Other Information

The Council is responsible for the other information. The other information comprises the President's Statement and reports of standing committees included in the 2023 annual report. Our opinion on the financial statements does not cover the other information and we do not express any form of assurance thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information; we are required to report that fact. We have nothing in this regard.

Responsibilities of the Council for the Financial Statements

The Council is responsible for the preparation of the financial statements in accordance with IPSAS and in the manner required by the Institute of Chartered Accountants, Ghana Act, 2020 (Act 1058), and for setting such internal controls as they determine necessary to enable the preparation of financial statements that are free from material misstatements, whether due to fraud or error.

In preparing the financial statements, Council is responsible for assessing the Institute's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting.

Council is responsible for overseeing the Institute's financial reporting process.

Auditor's responsibility for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion.

Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with International Standards of Supreme Audit Institutions (ISSAIs), which is consistent with the Fundamental Auditing Principles (ISSAIs 100-999) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements

As part of an audit in accordance with International Standards of Supreme Audit Institutions (ISSAIs) which is consistent with the Fundamental Auditing Principles (ISSAIs 100-999), we exercised professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatements in the financial statements, whether due to fraud or error, and designed and performed audit procedures responsive to those risks, while obtaining audit evidence sufficient and appropriate to provide enough basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of the internal controls relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for purposes of expressing an opinion on the effectiveness of the entity's internal controls.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by Council.

- Conclude on the appropriateness of Council's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubts on the entity's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in the auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of the report. However, future events or conditions may cause the entity to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Institute to express an opinion on the financial statements. We are responsible for the direction, supervision, and performance of the Institute's audit. We remain solely responsible for our audit opinion.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identified during the audit.

We also provide those charged with governance a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

This independent auditor's report is issued by:

JOHN GODFRED KOJO ADDISON
DEPUTY AUDITOR-GENERAL/CAD
for: **AUDITOR-GENERAL**
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GPS: GA-110-8787
MINISTRIES BLOCK "O"
ACCRA, GHANA

JOHN G. K. ADDISON
DEPUTY AUDITOR-GENERAL/CAD
AUDIT SERVICE, ACCRA

Date 24-04-2024

INSTITUTE OF CHARTERED ACCOUNTANTS, GHANA
STATEMENT OF FINANCIAL PERFORMANCE
FOR THE YEAR ENDED 31 DECEMBER, 2023

	Notes	**2023** **GH¢'000**	2023 - Budget GH¢'000	2022 GH¢'000
REVENUE				
Members Subscription and Fees	**4.1**	**16,101**	15,134	12,997
Students Subscription and Fees	**4.2**	**9,592**	11,291	7,351
Revenue from Non-Exchange Transactions		**25,693**	26,425	20,348
Revenue from Exchange Transactions:				
Examinations & Other Students Activities	**5.1**	**18,755**	18,023	12,866
Accountancy College Income	**5.2**	**1,250**	1,517	815
Continuing Professional Development	**5.3**	**2,912**	5,203	1,696
Members' Activities	**5.4**	**7,079**	4,938	4,704
Revenue from other exchange transactions	**5.5**	**160**	193	276
		30,156	29,874	20,357
Total Revenue		**55,849**	56,299	40,705
EXPENSES				
Examinations & Other Student Activities	**5.1**	**10,730**	8,503	5,855
Accountancy College Costs	**5.2**	**1,419**	1,517	1,237
Continuing Professional Development	**5.3**	**910**	1,460	529
Members' Activites	**5.4**	**10,460**	15,614	7,720
Council and Committee Meetings	**6**	**1,484**	1,518	1,262
Employment Cost	**7**	**20,612**	21,397	17,246
General Administrative Expenses	**8(a)**	**5,714**	5,766	3,667
Impairment Charges	**14(b)**	**111**	50	61
Total Expenses		**51,440**	55,825	37,577
Surplus from Operations		**4,409**	474	3,128
Interest Income	**9**	**12,627**	6,670	8,859
Impairment on Investments	**12(b)**	**1,667**	-	(3,134)
Net Interest Income		**14,294**	6,670	5,725
Surplus for the year		**18,703**	7,144	8,853

INSTITUTE OF CHARTERED ACCOUNTANTS, GHANA
STATEMENT OF FINANCIAL POSITION
AS AT 31 DECEMBER, 2023

Property, Plant and Equipment	**10**	**12,462**	13,132	10,670
Intangible Assets	**11**	**275**	380	397
Investments	**12(a)**	**6,431**	15,000	13,743
Total Non-Current Assets		**19,168**	28,512	24,810
Current Assets				
Inventories	**13**	**903**	861	1,507
Accounts Receivable from Exchange Transactions	**14(a)**	**957**	2,527	3,400
Accounts Receivable from Non-Exchange Transactions	**14(a)**	**2,689**	917	1,154
Cash & Cash Equivalents	**15**	**56,675**	35,031	30,127
Total Current Assets		**61,224**	39,336	36,188
TOTAL ASSETS		**80,392**	67,848	60,998
Current Liabilities				
Advance Subscription from Non-Exchange Transactions	**16**	**1,828**	896	1,702
Accounts Payable	**17**	**3,729**	1,907	1,970
Total Current Liabilities		**5,557**	2,803	3,672
TOTAL LIABILITIES		**5,557**	2,803	3,672
NET ASSETS		**74,835**	65,045	57,326
MEMBERS' FUND				
Accumulated Fund	**18**	**64,845**	55,256	48,112
Building Fund	**19**	**9,656**	9,472	9,097
Members' Welfare Fund	**20**	**334**	317	117
TOTAL MEMBERS' FUND		**74,835**	65,045	57,326

The Council approved the 2023 Financial Statements set out on pages 9-26 on April 29, 2024

President

Date: April 22, 2024

Vice President

INSTITUTE OF CHARTERED ACCOUNTANTS, GHANA
CASH FLOW STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER, 2023

	Notes	2023	2023 - Budget	2022
		GH¢'000	GH¢'000	GH¢'000
Operating Activities				
Net cash Inflow from Operating Activities	21	21,312	9,334	9,726
Investing Activities				
Purchase of Property and Equipment	10	(2,610)	(3,291)	(6,072)
Investments in Government bonds	12a	-	(1,564)	-
Liquidation of Government bonds	12a	7,312	-	1,466
Purchase of Intangible Assets	11	(179)	(150)	(561)
Net cash flow from/(used in) Investing Activities		4,523	(5,005)	(5,167)
Financing Activities				
Members' Contributions to Building Fund	19	521	375	570
Members' Contributions to Welfare Fund	20	192	200	117
Net cash generated from Financing Activities		713	575	687
Increase in Cash and Cash equivalents		26,548	4,904	5,246
Movement in cash and cash equivalents				
At the start of the year		30,127	30,127	24,881
Increase		26,548	4,904	5,246
At the end of the year	15	56,675	35,031	30,127

INSTITUTE OF CHARTERED ACCOUNTANTS, GHANA
STATEMENT OF CHANGES IN NET ASSETS
FOR THE YEAR ENDED 31 DECEMBER, 2023

2023	**Accumulated Fund**	**Building Fund**	**Members' Welfare Fund**	**Total**
	GH¢'000	**GH¢'000**	**GH¢'000**	**GH¢'000**
Balance at 1 Jan	**48,112**	**9,097**	**117**	**57,326**
Surplus for the year	**18,703**	**-**	**-**	**18,703**
Contributions during the year	**-**	**521**	**192**	**713**
Investment Income	**(1,970)**	**1,945**	**25**	**-**
Write off (Special Waiver)	**-**	**(1,907)**	**-**	**(1,907)**
Balance at 31 December 2023	**64,845**	**9,656**	**334**	**74,835**

2022	Accumulated Fund	Building Fund	Members' Welfare Fund	ICAEW	Total
	GH¢'000	GH¢'000	GH¢'000	GH¢'000	GH¢'000
Balance at 1 Jan	40,415	7,371	-	-	47,786
Surplus for the year	8,853	-	-	-	8,853
Contributions during the year	-	570	117	130	817
Investment Income	(1,156)	1,156	-	-	-
Awards/ Disbursement	-	-	-	(130)	(130)
Balance at 31 December	48,112	9,097	117	-	57,326

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER, 2023

1. REPORTING ENTITY

Institute of Chartered Accountants, Ghana is a statutory body established under the Chartered Accountants Act, 1963 (Act 170), repealed by the Institute of Chartered Accountants Act, 2020 (Act 1058), to promote the study of accountancy, to regulate the accountancy profession and practice and to provide for other related matters in Ghana. The Institute is an approved non-profit organization operating under the Ministry of Education.

The address of the Institute is Accountancy House, Okponglo, East Legon, Accra. On the Ghana post GPS GA-416-9898.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The principal accounting policies used for the preparation of these financial statements are set out below:

2.1. Basis of preparation

The financial statements have been prepared in compliance with International Public Sector Accounting Standards (IPSASs) issued by the International Public Sector Accounting Standards Board (IPSASB) in line with the accrual basis spelt out by IPSAS 33. The financial statements have been prepared under the historical cost convention except for certain financial instruments (Specifically Investments in GOG Bonds) measured at fair value.

2.1.1 Critical accounting estimates and judgments

The preparation of financial statements in conformity with IPSAS 3 require the use of certain critical accounting estimates. It also requires the Council to exercise its judgement in the process of applying the Institute's accounting policies. All estimates and underlying assumptions are based on historical experience and various other factors that Council believes are reasonable under the circumstances. The results of these estimates form the basis of judgements about the carrying value of assets and liabilities that are not readily apparent from other sources. Actual results may differ from these estimates. The estimates and underlying assumptions are reviewed on an on-going basis. Revisions to accounting estimates are recognized in the period in which the estimates are revised and any affected future periods.

Areas involving a higher degree of judgement or complexity, or areas where assumptions and estimations are significant to the financial statements are:

- Useful life of Property plant and equipment (Note 2.3)
- Net realizable value of inventories (Note 2.6)
- Recoverability of receivables (Note 2.7)
- Classification of financial assets

2.2 Foreign Currency Translation

2.2.1 Functional and presentation currency

Items included in the financial statements are measured using the currency of the primary economic environment in which the Institute operates ('the functional currency'). The financial statements are presented in Ghana Cedis which is the Institute's functional and presentation currency.

2.2.2 Transactions and balances

Foreign currency transactions are translated into Ghana Cedis using the exchange rates prevailing at the dates of the transactions. Foreign exchange gains and losses resulting from the settlements of such transactions and from the translation at year-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognized in the statement of financial performance.

2.3 Property, Plant and Equipment

Property, Plant and Equipment is stated at cost less accumulated depreciation and any accumulated impairment losses in accordance with IPSAS 17. Cost includes expenditure that is directly attributable to bringing the asset to the location and condition necessary for it to be capable of operating in the manner intended by management. Depreciation is charged so as to allocate the cost of assets less their residual value over their estimated useful lives, using the straight-line method.

The annual rates in use are as follows:

Buildings	**3.33%**
Motor Vehicles	**20%**
Furniture and equipment	**20%**
Fittings	**20%**
Library Books	**20%**

Normal repairs and maintenance expenses are charged to operating expenses during the financial period in which they are incurred.

The assets' residual values, useful lives and depreciation methods are reviewed, and adjusted prospectively if appropriate, at the end of each reporting period. An asset's carrying amount is written down immediately to its recoverable amount if the asset's carrying amount is greater than its estimated recoverable amount. Gains and losses on disposals are determined by comparing the proceeds with the carrying amount and are recognized within 'other gains/ (losses) in the statement of financial performance.

2.4 Intangible Assets-Computer Software

IPSAS 31 require that, acquired computer software licenses and intellectual property are capitalized on the basis of the cost incurred to acquire and bring to use the specific software. These costs are amortized on the straight-line basis over the estimated useful lives of the assets (usually three years).

Costs associated with developing or maintaining computer software programs are recognized as an expense as incurred. Costs that are directly associated with the development of identifiable and unique software program controlled by the Institute and which will probably generate economic benefits exceeding costs beyond one year, are recognized as intangible assets.
Computer software development costs recognized as assets are amortized over their estimated useful lives (usually three years).

2.5 Impairment of non-financial assets

The Institute assesses at each reporting date whether there is an indication that an asset may be impaired as prescribed in IPSAS 21 & 26. If any such indication exists, or when annual impairment testing for an asset is required, the Institute makes an estimate of the asset's recoverable amount. The recoverable amount is the higher of the fair value less cost to sell and value in use and is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or groups of assets. Where the carrying amount of an asset exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount. In assessing value in use, the estimated future cash flows are discounted to their present value using a discount rate that reflects current market conditions of the time value of money and the risk specific to the asset.

An assessment is made at each reporting date as to whether there is any indication that previously recognized impairment losses may no longer exist or may have decreased. If such indication exists, the recoverable amount is estimated. Other than for goodwill, a previously recognized impairment loss is reversed if there has been a change in the estimate used to determine the asset's recoverable amount since the last impairment loss was recognized. If that is the case, the carrying amount of the asset is increased to its recoverable amount. The increased amount cannot exceed the carrying amount that would have been determined, net of depreciation, had no impairment loss been recognized for the asset in prior years. Such reversal is recognized in the statement of financial performance. After such a reversal the depreciation charge is adjusted in future periods to allocate the asset's revised carrying amount, less any residual value, on a systematic basis over its remaining useful life.

2.6 Inventories

Stock of publications and souvenirs held for sale is stated at lower of cost and net realizable value in accordance with IPSAS 12. Cost is determined on first-in-first-out basis. Cost incurred in producing members' journals is expensed in the year the journals are produced. Net realizable value represents estimated selling price less expenses incidental to make the sale. Inventory received as gifts are classified as those acquired through non-exchange transactions and measured at their fair value at the date of acquisition. Inventory expensed during the year is not stated in the Statement of Financial Performance (IPSAS 12).

2.7 Accounts Receivable

Accounts receivable are recognized initially at fair value. They are subsequently measured at amortized cost using the effective interest method, less provision for impairment. An allowance for impairment of accounts receivable is established when there is objective evidence that the Institute will not be able to collect all amounts due according to the original terms of the receivables.
As part of the 60th anniversary celebrations, council issued a waiver on all outstanding membership receivables through 2021. This gesture is to bring on board all members who have been inactive as a result of their inability to pay the accumulated outstanding subscriptions.

2.8 Cash and Cash equivalents

Cash and cash equivalents are carried in the statement of financial position at cost. Cash and cash equivalents comprise cash on hand, balances with banks and other short-term highly liquid investments with original maturities of six months or less.

2.9 Accounts Payable

Accounts payable are obligations to pay for goods or services that have been acquired in the ordinary course of business from suppliers. Accounts payable are recognized initially at fair value and subsequently measured at amortized cost using the effective interest method.

2.10 Provisions

Provisions are recognized when the Institute has a present legal or constructive obligation as a result of past events; it is probable that a transfer of economic resources will be required to settle the obligation; and the amount can be reliably estimated. Provisions are measured at the present value of the amount expected to be required to settle the obligation using a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the obligation.

2.11 Employee benefits obligations

The Institute has a defined contribution plan for its employees in respect of which the Institute pays contributions to publicly and privately administered pension insurance plans on a mandatory or contractual basis.

The contributions are recognized as employee benefit expense when they are due. Under the plan the Institute pays fixed contributions into a separate entity and has no legal or constructive obligation to pay further contributions if the fund does not hold sufficient assets to pay all employees the benefits relating to employee service in the current and prior periods as required by IPSAS 25.

2.12 Revenue recognition

Members and Students fees and subscriptions are accounted for as income in the period to which they relate. Subscriptions and fees received in advance represent amounts paid to the Institute in the current year that relate to the annual subscriptions and fees for the ensuing periods, and are deferred and recognized as income, in the period to which they relate.

Fees from examinations and exemptions are recorded as income in the period in which a student registers for the examination or applies for the exemption.
Members' and students' subscriptions are accounted for under IPSAS 23 which is a non-exchange transaction whereas other revenue streams are recognized under IPSAS 9 due to their exchange nature.

2.13 Taxation

The Institute is not a taxable entity. No provision is therefore made in the financial statements.

2.14 Leases

A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration. IPSAS 13 establishes principles for the recognition, measurement, presentation and disclosure of leases, with the objective of ensuring that lessees and lessors provide relevant information that faithfully represents lease transactions.

2.15 Financial Assets

The Institute's policy of recognising financial assets is in conformity with IPSASs 28, 29, 30 and 41 as follows:

2.15.1 Classification

The Institute classifies its financial assets in the following measurement categories:

- ❖ Those to be measured (through surplus or deficit), and
- ❖ Those to be measured at amortized cost.

The classification depends on the Institute's business model for managing the financial assets and the contractual terms of the cash flows.
The Institute classifies its financial assets at amortized cost only if both of the following criteria are met:

- ❖ the asset is held within a business model whose objective is to collect the contractual cash flows; and
- ❖ the contractual terms give rise to cash flows that are solely payments of principal (for non- interest bearing financial assets) or solely payment of principal and interest (for interest bearing financial assets).

For assets measured at fair value through surplus or deficit, gains and losses are recorded in statement of financial performance.

2.15.2 Recognition and Derecognition

Regular way purchases and sales of financial assets are recognized on trade-date, the date on which the Institute commits to purchase or sell the asset. Financial assets are derecognized when the rights to receive cash flows from the financial assets have expired or have been transferred and the Institute has transferred substantially all the risks and rewards of ownership.

2.15.3 Measurement

At initial recognition, the Institute measures its financial assets at its fair value plus transaction costs that are directly attributable to the acquisition of the financial asset. Subsequent measurements depend on the Institute's business model in managing the asset and the cash flow characteristics of the asset. Currently, the Institute's financial assets are classified in the measurement category of financial assets at amortized cost.

2.15.4 Financial assets at amortized cost

Financial assets at amortized cost are those assets which are held only for collection of contractual cash flows where those cash flows represent solely payments of principal and interest are measured at amortized cost. Interest income from these financial assets is included in finance income using the effective interest rate method. Any impairment losses are charged to the statement of financial performance. Receivables and cash and bank balances are classified as financial assets at amortized cost.

2.15.5 Impairment

The Institute assesses on a forward-looking basis the expected credit losses associated with its assets carried at amortized cost.

The impairment methodology applied depends on whether there has been a significant increase in credit risk. The carrying amount of the asset is reduced and the amount of the loss is recognized in the Statement of financial performance. If, in a subsequent period, the amount of the impairment loss decreases and the decrease can be related objectively to an event occurring after the impairment was recognized (such as an improvement in the debtor's credit rating), the previously recognized impairment loss is reversed and the amount of the reversal is recognized in the statement of financial performance.

2.15.6 Derecognition

The Institute derecognizes a financial asset or, where applicable, a part of a financial asset or part of a group of similar financial assets when: the rights to receive cash flows from the asset have expired or is waived or the Institute has transferred its rights to receive cash flows from the asset or has assumed an obligation to pay the received cash flows in full without material delay to a third party; and either: (a) the Institute has transferred substantially all the risks and rewards of the asset; or (b) the Institute has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset.

2.16 Financial liabilities

2.16.1 Initial recognition and measurement

All financial liabilities are recognized initially at fair value. After initial recognition, financial liabilities are subsequently measured at amortized cost using the effective interest method.

2.16.2 De-recognition

A financial liability is derecognized, when and only when, it is extinguished. This is when the obligation under the liability is discharged, waived, cancelled or expires. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as a derecognition of the original liability and the recognition of a new liability, and the difference in the respective carrying amounts is recognized in statement of financial performance.

2.17 Building Fund

Building fund is in respect of amounts contributed by members of the Institute to support the construction of an auditorium. Contributions to the building fund are recognized separately in reserves. Interest earned from investing members' contributions is included in Statement of Financial Performance and subsequently reclassified to the fund balance in the Statement of Financial Position.

3 FINANCIAL RISK MANAGEMENT

3.1 Liquidity Risk Management

The Institute evaluates its ability to meet its obligations on an ongoing basis. Based on these evaluations, the Council of the Institute devises strategies to manage liquidity risk.

Prudent liquidity risk management implies that sufficient cash is maintained and that sufficient funding is available through an adequate amount of committed credit facilities.

Cash of the Institute is placed in interest bearing accounts to provide sufficient funding to meet its operating expenditure. At the reporting date cash and cash equivalents amounted to **GH¢56.7m** (2022: GH¢30.1m). This is expected to readily generate cash inflows for managing liquidity risk. Due to the Government of Ghana Domestic Debt Exchange Programme (GDDEP), there has been the need to consider impairment of the Institute's medium to long-term GOG bonds **(Details in Note 12).**

3.2 Credit Risk

Credit risk arises from cash and cash equivalents as well as credit exposures to members and students, including outstanding receivables and committed transactions. Credit risk is the risk that a counterparty will default on its contractual obligations resulting in financial loss to the Institute.

Credit risk is managed by the Finance and Administration Committee. The Institute does not have any significant concentration of credit risk. The Finance and Administration Committee exercises strict credit control through monitoring of cash received from counterparties and, when necessary, provision is made for specific doubtful accounts.

As part of the 60^{th} anniversary celebrations in 2023, council issued a waiver on all outstanding membership receivables through 2021. This gesture is to bring on board all members who have been inactive as a result of their inability to pay the accumulated outstanding subscriptions.

Members above age 65years are exempted from payment of annual subscription. About 1,522 members were above age 65years as at December 31, 2023. The Institute has enhanced its business development efforts to grow its membership base to safeguard against the risks posed by the growing members above the age 65.

3.3 Fair value of financial instruments

Management considers that the carrying amount of all financial assets and financial liabilities in the financial statements approximate their fair values as the impact of discounting is considered not significant. Fair value, which is determined for disclosure purposes is calculated based on the present value of future principal and interest cash flows discounted at the market rate of interest at the statement of financial position date.

Due to the Government of Ghana Domestic Debt Exchange Programme (GDDEP), there has been the need to consider impairment of the Institute's medium to long-term GOG bonds **(Details in Note 12).**

3.4 Capital Risk Management

The Institute's objective when managing capital is to safeguard the Institute's ability to continue as a going concern in order to carry out its mandate as enshrined in the Institute of Chartered Accountant's Act 2020, (Act 1058). The capital structure of the Institute consists of the members' fund. In order to maintain or adjust the capital structure, the Institute from time to time reviews the subscription payable by members and students and may request members to pay special levies as appropriate.

The planned construction of the Institute's Auditorium project will lead to about GHS70m cash outflow from the members' fund in the ensuing year. Management will therefore put in extra effort in revenue mobilization and efficient cost management in order to stay afloat.

NEW STANDARDS AND AMENDMENTS

IPSAS 45, Property, Plant and Equipment
IPSAS 45, Property, Plant and Equipment was approved by the International Public Sector Accounting Standards Board (IPSASB) in December 2022 and issued in May 2023. The standard replaces IPSAS 17, Property, Plant and Equipment by adding current operational value as a measurement basis in the updated current value model for assets within its scope, identifying the characteristics of heritage and infrastructure assets, and adding new guidance on how these important types of public sector assets should be recognized and measured. This standard is effective for financial statements beginning on or after 1 January 2025. This has not been applied by Institute in preparing its financial statements for the year ended 31 December 2023.

IPSAS 46, Measurement
IPSAS 46, Measurement was approved by the International Public Sector Accounting Standards Board (IPSASB) in March 2023 and issued in May 2023. The standard provides new guidance in a single standard addressing how commonly used measurement bases should be applied in practice. This standard is effective for financial statements beginning on or after 1 January 2025 and have not been applied by the Institute in preparing its financial statements for the year ended 31 December 2023.

IPSAS 43, Leases
IPSAS 43, 'Leases' was issued by the International Public Sector Accounting Standards Board (IPSASB) in January 2022. The risks and reward incidental to ownership model in IPSAS 13 required lessees and lessors to classify leases as either finance leases or operating leases.

Operating leases did not require leases to recognize asset and liabilities, while finance leases did. For lessees, IPSAS 43 introduces a right-of-use model that replaces the risks and rewards incidental to ownership model in IPSAS 13, Leases and for lessors, IPSAS 43 substantially carries forward the risks and rewards incidental to ownership model in IPSAS 13. IPSAS 43 enhances the accounting for leases by lessees because the standard no longer requires the classification of leases as either finance leases or operating leases. The standard requires the recognition of assets and liabilities related to the rights and obligations created by leases. This standard is effective for financial statements beginning on or after 1 January 2025. Early adoption is permitted. This has not been applied by the Institute in preparing its financial statements for the year ended 31 December 2023.

IPSAS 47, Revenue
IPSAS 47, Revenue was approved by the International Public Sector Accounting Standards Board (IPSASB) in March 2023 and issued in May 2023. The standard replaces IPSAS 9, Revenue from Exchange Transactions, IPSAS 11, Construction Contracts, and IPSAS 23, Revenue from Non-Exchange Transactions (Taxes and Transfers). IPSAS 47 is a single source for revenue accounting guidance in the public sector, which presents two accounting models based on the existence of a binding arrangement. The standard includes a comprehensive guidance for an entity to determine which accounting model to apply. This standard is effective for financial statements beginning on or after 1 January 2026 and have not been applied by the Institute in preparing its financial statements for the year ended 31 December 2023.

IPSAS 48, Transfer Expenses
IPSAS 48, Transfer Expenses was approved by the International Public Sector Accounting Standards Board (IPSASB) in March 2023 and issued in May 2023. A transfer expense is an expense arising from a transaction, other than taxes, in which an entity provides a good, service, or other asset to another entity, without directly receiving any good, service, or other asset in return. IPSAS 48 presents two accounting models based on the existence of a binding arrangement. This standard is effective for financial statements beginning on or after 01 January 2026 and have not been applied by the Institute in preparing its financial statements for the year ended 31 December 2023.

		2023	2023 – Budget	2022
4	**Revenue**	**GH¢'000**	GH¢'000	GH¢'000
4.1	**Members Subscription and Fees**			
	Subscription	**10,183**	8,325	7,536
	Fees from Practising Firms	**4,750**	4,356	3,633
	Entrance Fees	**649**	1,868	1,363
	Practice Licence	**519**	585	465
		16,101	15,134	12,997
4.2	**Student Subscription and Fees**			
	Registration	**714**	902	688
	Subscriptions	**3,438**	4,810	2,334
	Exemptions	**5,440**	5,579	4,329
		9,592	11,291	7,351

		2023	2023 – Budget	2022	2023	2023 - Budget	2022
5	**Other Operating Activities**				**GH¢'000**	GH¢'000	GH¢'000
5.1	**Examinations & Manuals**		**INCOME**			**EXPENDITURE**	
	Examinations	**17,101**	16,762	11,209	**9,216**	7,870	4,931
	Manuals and Souvenirs	**1,654**	1,261	1,657	**1,514**	633	924
		18,755	18,023	12,866	**10,730**	8,503	5,855
5.2	**Accountancy College**						
	Students Activities	**1,250**	1,517	815	**1,419**	1,517	1,237
5.3	**Continuing Professional Dev.**						
	CPD Activities	**699**	2,635	850	**182**	428	67
	Practice Orientation	**275**	624	362	**33**	110	106
	Chartered Diploma	**1,938**	1,944	484	**695**	922	356
		2,912	5,203	1,696	**910**	1,460	529
5.4	**Members' Activities**						
	Accountants Week Conference	**3,577**	1,400	2,349	**3,142**	1,984	2,029
	ABWA Expenses	**-**	-	-	**283**	1,666	588
	PAFA Expenses	**-**	-	-	**274**	1,987	267
	IFAC Expenses	**-**	-	-	**204**	245	-
	WCOA Expenses	**-**	-	-	**-**	-	1,105
	ACOA Expenses	**-**	-	-	**630**	2,012	-
	Quality Assurance Expenses	**-**	-	-	**7**	348	267
	Journal/Technical Expenses	**-**	-	-	**327**	646	529
	Members' Costs	**-**	-	-	**616**	1,284	440
	Anniversary Celebration	**-**	-	-	**1,740**	2,130	-
	Subscription Affiliate	**-**	-	-	**1,457**	1,343	1,212
	Presidential Luncheon	**1,082**	450	-	**895**	916	-
	Induction/Graduation	**2,420**	3,088	2,355	**885**	1,053	1,283
		7,079	4,938	4,704	**10,460**	15,614	7,720

		2023	2023 – Budget	2022
5.5	**Revenue from other exchange transactions**	**GH¢'000**	GH¢'000	GH¢'000
	Exchange Gains	**78**	-	227
	Miscellaneous Income	**82**	193	49
		160	193	276
6	**Council and Committee Expenses**			
	Council Meeting Allowances	**689**	1,123	933
	Council Committees' Meeting Allowances	**631**	395	329
	Council Travel & Associated Cost	**164**	-	-
		1,484	1,518	1,262
7	**Employment Costs**			
	Employee Benefits	**16,389**	16,542	14,204
	Other Employment Costs	**4,223**	4,855	3,042
		20,612	21,397	17,246

		2023	2023 – Budget	2022
8(a)	**General Administrative Expenses**	**GH¢'000**	GH¢'000	GH¢'000
	Bank Charges	**34**	43	31
	Cleaning and Sanitation	**293**	279	245
	Audit Expenses	**6**	6	4
	Computer Accessories	**148**	57	37
	Consultancy	**-**	52	23
	Depreciation Expenses (Note 8b)	**1,119**	1,128	1,149
	Donation	**93**	-	-
	Electricity & Water	**412**	304	235
	Fuel - Plant & Vehicles	**66**	156	118
	Funeral Expenses	**97**	25	21
	Insurance	**291**	137	108
	Legal Expenses	**257**	710	46
	Medical Cost-Retired Staff	**38**	15	15
	Motor Vehicle Running Expenses	**270**	128	89
	Newspaper & Periodicals	**22**	21	17
	Postage & Courier	**30**	40	26
	Printing & Stationery	**125**	81	67
	Rent & Rates	**379**	301	144
	Repairs and Maintenance-Equipment	**87**	111	63
	Repairs & Maintenance - Buildings	**543**	321	188
	Security Expenses	**82**	76	56
	Staff Admin. Cost	**477**	300	260
	Staff Training/Development	**103**	100	49
	Telecommunication Cost	**458**	680	455
	Vehicles Tracking Cost	**11**	15	11
	Adverts and Marketing	**178**	580	117
	Sponsorship and Awards Cost	**95**	100	93
		5,714	5,766	3,667

8(b)	**ANALYSIS OF DEPRECIATION**			
	Property, Plant & Equipment	**818**	828	931
	Intangible assets:	**301**	335	280
	Transfer to Study Manual Cost of Sales (Amortisation of Study materials develpoment cost)	**-**	(35)	(62)
		301	300	218
	Total Depreciation allocated to Gen. Admin. Expense	**1,119**	1,128	1,149

		2023	2023 - Budget	2022
9	**Interest Income**	**GH¢'000**	GH¢'000	GH¢'000
	Interest on Investments	**12,257**	6,514	8,679
	Call Interest Income	**282**	114	132
	Interest on staff loans	**88**	42	48
		12,627	6,670	8,859

10 PROPERTY, PLANT AND EQUIPMENT

2023	**Leasehold Land and Buildings**	**Construction Work in Progress**	**Motor Vehicle**	**Equipment Furniture/ fittings**	**Library Books**	**Total**
Cost	**GH¢'000**	**GH¢'000**	**GH¢'000**	**GH¢'000**	**GH¢'000**	**GH¢'000**
Balance at 1 January 2023	**9,088**	**2,704**	**2,863**	**4,350**	**104**	**19,109**
Additions	**126**	**1,246**	**817**	**421**	**-**	**2,610**
Disposal/Reversal	**-**	**-**	**-**	**-**	**-**	**-**
Balance at 31 December 2023	**9,214**	**3,950**	**3,680**	**4,771**	**104**	**21,719**
Depreciation						
Balance at 1 January 2023	**1,870**	**-**	**2,509**	**3,978**	**82**	**8,439**
Charge for the year	**305**	**-**	**267**	**231**	**15**	**818**
Disposal/Reversal	**-**	**-**	**-**	**-**	**-**	**-**
Balance at 31 December 2023	**2,175**	**-**	**2,776**	**4,209**	**97**	**9,257**
Net book value at 31 December 2023	**7,039**	**3,950**	**904**	**562**	**7**	**12,462**

2023-Budget	Leasehold Land and Buildings	Construction Work in Progress	Motor Vehicle	Equipment Furniture/ fittings	Library Books	Total
Cost	GH¢'000	GH¢'000	GH¢'000	GH¢'000	GH¢'000	GH¢'000
Balance at 1 January 2023	9,088	2,704	2,863	4,350	104	19,109
Additions	860	-	1,243	1,188	-	3,291
Disposal/Reversal	-	-	-	-	-	-
Balance at 31 December 2023	9,948	2,704	4,106	5,538	104	22,400
Depreciation						
Balance at 1 January 2023	1,870	-	2,509	3,978	82	8,439
Charge for the year	147	-	390	274	17	828
Disposal/Reversal	-	-	-	-	-	-
Balance at 31 December 2023	2,017	-	2,899	4,252	99	9,268
Net book value at 31 December 2023	7,931	2,704	1,207	1,286	5	13,132

2022	Leasehold Land and Buildings	Construction Work in Progress	Motor Vehicle	Equipment Furniture/ fittings	Library Books	Total
Cost	GH¢'000	GH¢'000	GH¢'000	GH¢'000	GH¢'000	GH¢'000
Balance at 1 January 2022	4,286	2,122	2,502	4,023	104	13,037
Additions	4,802	582	361	327	-	6,072
Disposal/(Reversal)	-	-	-	-	-	-
Balance at 31 December 2022	9,088	2,704	2,863	4,350	104	19,109
Depreciation						
Balance at 1 January 2022	1,563	-	2,153	3,727	66	7,509
Charge for the year	307	-	356	251	16	930
Disposals	-	-	-	-	-	-
Balance at 31 December 2022	1,870	-	2,509	3,978	82	8,439
Net book value as at 31 December 2022	7,218	2,704	354	372	22	10,670

11 INTANGIBLE ASSETS

	2023	2023 - Budget	2022
	GH¢'000	GH¢'000	GH¢'000
Cost			
Balance at 1 January	**3,410**	3,411	2,849
Additions	**179**	150	561
Disposals/Revesals	**-**	-	-
Balance at 31 December	**3,589**	3,561	3,410
Amortisation			
Balance at 1 January	**3,013**	3,013	2,733
Charge for the period	**301**	168	280
Disposals/Revesals	**-**	-	-
Balance at 31 December	**3,314**	3,181	3,013
Net book value as at 31 December	**275**	380	397

12(a) Investment in Long-term Bonds

	2023	2023 - Budget	2022
	GH¢'000	GH¢'000	GH¢'000
GoG Bonds	**7,898**	15,000	16,877
Allowance for Impairment	**(1,467)**	-	(3,134)
	6,431	15,000	13,743

12(b) Impairment on Long term Bonds

Opening Balance	**3,134**	**-**	-
Charge/(Release) during the year	**(1,667)**	**-**	3,134
Closing Balance	**1,467**	-	3,134

Due to the Government of Ghana Domestic Debt Exchange Programme (DDEP), there was the need to consider impairment of the Institute's medium to long-term GOG bonds in 2022. Key considerations were given to the principal, rates, tenor and expected future cash flows. The anticipated losses from the risks associated with the DDEP have reduced significantly. The Institute received all its due coupons from the medium-long-term GOG bonds in 2023. Consequently, the impairment allowance made in 2022 has been partially reversed.

13 Inventories

	2023	2023 - Budget	2022
	GH¢'000	GH¢'000	GH¢'000
ICAG Souvenir items	**701**	632	996
Study Manuals	**202**	229	511
	903	861	1,507

14 (a) Account Receivable

	2023	2023 - Budget	2022
	GH¢'000	GH¢'000	GH¢'000
Receivables from Non-Exchange Transactions:			
Subscriptions and Fees Receivables	**2,986**	842	1,666
Building Levy Receivable	**1,907**	1,920	1,920
Levy- Written off	**(1,907)**	-	-
Allowance for impairment	**(297)**	(235)	(186)
Net	**2,689**	2,527	3,400
Receivables from Exchange Transactions:			
Staff Debtors	**576**	660	794
Sundry Receivables	**-**	153	21
Prepayments	**381**	104	339
	957	917	1,154
Total Accounts Receivables	**3,646**	3,444	4,554

		2023	2023 - Budget	2022
14(b)	**Impairment Allowance**	**GH¢'000**	GH¢'000	GH¢'000
	Opening Balance	**186**	186	125
	Charge during the year	**111**	50	61
	Closing Balance	**297**	236	186

		2023	2023 - Budget	2022
15	**Cash and Cash Equivalents**	**GH¢'000**	GH¢'000	GH¢'000
	Cash and Bank balances	**10,547**	1,354	2,141
	Short term investments	**46,128**	33,677	27,986
		56,675	35,031	30,127

		2023	2023 - Budget	2022
16	**Subscription/Other Income in Advance**	**GH¢'000**	GH¢'000	GH¢'000
	Subscriptions paid in advance	**1,828**	896	1,702
		1,828	896	1,702

		2023	2023 - Budget	2022
17	**Accounts payable**	**GH¢'000**	GH¢'000	GH¢'000
	Trade Creditors	**1,969**	1,120	957
	Accrued Expenses	**936**	103	83
	Statutory Expenses Payable	**824**	684	930
	Total Accounts payables	**3,729**	**1,907**	**1,970**

		2023	2023 - Budget	2022
18	**Accumulated Fund**	**GH¢'000**	GH¢'000	GH¢'000
	Balance at 1 January	**48,112**	48,112	40,415
	Surplus for the year	**18,703**	7,144	8,853
	Reclassification of Investment Income	**(1,970)**	-	(1,156)
	Balance at 31 December	**64,845**	55,256	48,112

		2023	2023 - Budget	2022
19	**Building Fund**	**GH¢'000**	GH¢'000	GH¢'000
	Balance at 1 January	**9,097**	9,097	7,371
	Contributions during the year	**521**	375	570
	Write-off	**(1,907)**	-	-
	Investment Income	**1,945**	-	1,156
	Balance at 31 December	**9,656**	9,472	9,097

		2023	2023 - Budget	2022
20	**Members' Welfare Fund**	**GH¢'000**	GH¢'000	GH¢'000
	Balance at 1 January	**117**	117	-
	Contributions during the year	**192**	200	117
	Investment Income	**25**	-	-
	Balance at 31 December	**334**	317	117

21	**Cash Generated from Operation**			
	Net Surplus for the year	**18,703**	7,144	8,853
	Depreciation - Property, Plant & Equipment	**818**	828	931
	Depreciation - Intangibles	**301**	168	280
		19,822	8,140	10,064
	Working Capital Movement			
	Decrease/(Increase) in Inventories	**604**	647	(389)
	Decrease/(Increase) in Account Receivable	**908**	1,109	(1,571)
	Building Levy Write Off (Special Waiver)	**(1,907)**	-	-
	Increase in Accounts Payables	**1,759**	244	308
	Increase/(Decrease) in Advance Receipts	**126**	(806)	1,314
		1,490	1,194	(338)
	Net Cash Inflow from Operating Activities	**21,312**	9,334	9,726

22. Contingent Liability

There were contingent liabilities in respect of a pending legal suit against the Institute amounting to GH¢900,000 as at the reporting date (2022: GH¢900,000).

23. Capital Commitments

There were no capital commitments at the reporting date (2022: There were capital commitments in relation to the Institute's development at Oyibi as at the reporting date)

24. Events After Reporting Date

There were no subsequent events after the reporting date (2022: Nil).