

# **Differences between the Public Accountancy Board and the Institute of Chartered Accountants of Jamaica**

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# Type of Organization

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## **PUBLIC ACCOUNTANCY BOARD**

The Public Accountancy Board is statutory body which was created by the Public Accountancy Act 1968 and came into effect on July 6, 1970.

## **INSTITUTE OF CHARTERED ACCOUNTANTS OF JAMAICA**

The Institute of Chartered accountants of Jamaica is membership organization.

It was incorporated by the Public Accountancy Act 1968 which came into effect on July 6, 1970.

# Role & Functions

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## PUBLIC ACCOUNTANCY BOARD

- a) to promote in the public interest acceptable standards of professional conduct among registered public accountants in Jamaica
- b) register applicants who qualify as public accountants

## INSTITUTE OF CHARTERED ACCOUNTANTS OF JAMAICA

- a) to promote and increase the knowledge skill and proficiency of its members and students;
- b) to regulate the discipline and professional conduct of its members and students;
- c) to promote and protect the welfare and interest of the Institute and the accounting profession both in Jamaica and abroad;

# Role & Functions

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## PUBLIC ACCOUNTANCY BOARD

- c) establish systems for the review of the products, methods and records of work of registered public accountants to ensure adherence to –
  - I. any prescribed standard of professional conduct; and
  - II. established accounting and auditing standards

## INSTITUTE OF CHARTERED ACCOUNTANTS OF JAMAICA

- d) to make provision for the training, education and examination of persons in or intending to engage in the said profession (whether in Jamaica or elsewhere, and whether in private practice or as employees of the Government of Jamaica or any statutory body or any industrial or commercial enterprise or any other person who is not an accountant in private practice);

# Role & Functions

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## PUBLIC ACCOUNTANCY BOARD

- d) make, with the approval of the Minister, rules in relation to the promotion by the Board, in the public interest of acceptable standards of professional conduct among registered public accountants in Jamaica
- e) take disciplinary action against registered public accountants for breach of any provision of the Act or any regulation made thereunder; and
- f) remove from the register persons who no longer qualify to be registered public accountants

## INSTITUTE OF CHARTERED ACCOUNTANTS OF JAMAICA

- e) to do all such things as are incidental to the aforesaid objects or as the Institute may think conducive to the attainment of those objects or any of them.

# Role & Functions: Public Accountancy Board

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- g) establish evaluate and monitor-
  - i. the experience requirements of registered public accountants
  - ii. accounting and auditing standards to be complied with by registered public accountants;
- h) establish, implement and regulate a system of continuing professional education for registered public accountants, prescribe requirements therefor and monitor compliance with the requirements
- i) implement, regulate and monitor a system of quality control review, and
- j) perform such other monitoring functions as it considers necessary or expedient

# Membership

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## **PUBLIC ACCOUNTANCY BOARD**

The PAB has just under 300 registrants.

It does not have members or students.

The PAB does not have overseas registrants or registrants in retirement.

## **INSTITUTE OF CHARTERED ACCOUNTANTS OF JAMAICA**

The Institute had a student population of 2,317 at March 31, 2022.

This compares with 2,864 at the end of March 2018.

The number of members was 1,739 at March 31, 2022.

# Board Structure

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## **PUBLIC ACCOUNTANCY BOARD**

The Board shall consist of ten members appointed by the Minister, and of such ten members as the Minister may determine, being not less than six, shall be persons nominated by the Institute, and of the six nominated by the Institute one shall be a public officer and one shall be a person who is neither an accountant in private practice nor a public officer.

The appointment shall be for a period not exceeding three (3) years, and every member shall be eligible for reappointment. (First Schedule to the Public Accountancy Act.)

## **INSTITUTE OF CHARTERED ACCOUNTANTS OF JAMAICA**

The affairs of the Institute shall be managed by a Council which shall consist of not fewer than eight nor more than twelve members of the Institute.

At least one member shall be a public officer and of the remaining members at least one-third shall be persons who are neither accountants in private practice nor public officers. (Second Schedule to the Public Accountancy Act.)

One-third of the Council is elected annually by the membership.

# Payment To Board Or Council Members For Attending Meetings

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## **PUBLIC ACCOUNTANCY BOARD**

Board members are paid for attending meetings.

Payment is at the rates prescribed by the Ministry of Finance and the Public Service.

## **INSTITUTE OF CHARTERED ACCOUNTANTS OF JAMAICA**

Council members may be paid reasonable out of pocket expenses for attending meetings of Council and Committees and the Council may authorize payment of such expenses to any other member so engaged. (Bye-Law 15 (4)).

# Registration/Membership

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## **PUBLIC ACCOUNTANCY BOARD**

The Board approves applications for registration based on the provisions of Sections 11 and 12 of the Act.

## **INSTITUTE OF CHARTERED ACCOUNTANTS OF JAMAICA**

The Council approves applications for persons who wish to become Chartered accountants.

Qualifications for membership are specified in Section 22 of the Act.

# Practice

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## PUBLIC ACCOUNTANCY BOARD

Only persons who have been registered by the Board can engage in public practice

Once a person is registered by the Board that person is entitled to

- a) practice as a public accountant
- b) use, in relation to himself/herself, the designation "Public Accountant" either alone or in conjunction with other words or initials; or

## INSTITUTE OF CHARTERED ACCOUNTANTS OF JAMAICA

A Chartered Accountant cannot engage in public practice unless he is registered by the Public Accountancy Board.

# Practice: Public Accountancy Board

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- c) use in relation to himself/herself, any designation, title, name, initials or description indicating or implying that he is entitled to do use the designation mentioned earlier or that he is a registered public accountant

## Definition of Practice

Section 15 (3) of the Act describes practice as "where a person, for reward, prepares or examines financial, accounting or related statements or issues any written opinion, report or certificate concerning any such statement."

The above does not apply

- a) where the employee does so in the course of his duties as an employee of any person, or
- b) where the person engages in book-keeping, or cost accounting or the installation of book-keeping, business or cost systems, not including the **preparation of financial statements purporting to reflect a true and fair view or to be in conformity with generally accepted accounting standards or in such work as may be prescribed for the purposes of subsection 15 (3) of the Act.**

# Practice: Public Accountancy Board

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Over the years the Board has received complaints from clients of persons who are not registrants and from Registrants and from the Integrity Commission. This had led to convictions in the Parish Courts. The Board works closely with the office of the DPP, the Fraud Squad and the criminal Investigations Branch of the Police. The Fraud Squad is currently dealing with two new cases.

Members of the Institute who wish to sign reports for attorneys are reminded that they need a practising certificate from the Board to be able to sign these reports.

Any person who is guilty of contravening Section 15 of the Act shall be guilty of an offense and liable on summary conviction before a Resident Magistrate -

- a) in the case of a first offence, to a fine not exceeding two million dollars and in default of payment thereof to imprisonment with or without hard labour for a term not exceeding six months
- b) in the case of a second or subsequent offence, to a fine not exceeding four million dollars and in default of payment thereof to imprisonment with or without hard labour for a term not exceeding twelve months.

# Investigations

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## PUBLIC ACCOUNTANCY BOARD

Investigations by the Board are triggered by the receipt of a complaint in writing or information in writing by the Registrar from any body or person which alleges that a registrant

- I. has procured registration as a result of misleading, false or fraudulent representation or
- II. has committed in the performance of his professional duties

## INSTITUTE OF CHARTERED ACCOUNTANTS OF JAMAICA

Any member or non-member may address to the Council or the Investigations Committee a charge or charges of unfitness, lack of moral character or professional or other misconduct on the part of any member, firm or student (Bye-Laws 76 to 80)

# Investigations: Public Accountancy Board

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- a) an act of professional misconduct, or grave impropriety, or infamous conduct; or
- b) an act of gross negligence or of gross incapacity; or
- c) an act which constitutes conduct discreditable to the profession

Following investigation the matter goes to the Board which may after a Disciplinary Enquiry or Hearing exercise any or all of the following powers

- i. cause the name of the registrant to be removed from the Register
- ii. suspend the registrant for a period not exceeding one year
- iii. order the registrant to pay to the Board such sum as it thinks fit in respect of the costs and expenses of and incidental to the enquiry

# Investigations: Public Accountancy Board

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Over the years the Board has acted on complaints from clients, from the Practice Monitoring Committee and from the Financial Services Commission.

This led to the removal of five registrants from the register of Public accountants and two cases of suspension from the register.

In four cases the Registrants were censured.

# Discipline

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## **PUBLIC ACCOUNTANCY BOARD**

The Disciplinary process regarding registered public accountants (Registrants) are powers of the Board to discipline registrants are set out in Part II of the is set out in Part II and Part III of the Public Accountancy Regulations 1970

The Disciplinary Committee of the PAB is a Quasi-Judicial body with the powers that that entails

## **INSTITUTE OF CHARTERED ACCOUNTANTS OF JAMAICA**

The powers of the Institute to take disciplinary action against a member or a student are set out in the Institute's bye-laws.

The process is set out in Bye-Laws 81 to 95 and involves the Disciplinary Committee which unlike the PAB Disciplinary Committee is not a Quasi-Judicial body.

# Appeals Against Disciplinary Action

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## **PUBLIC ACCOUNTANCY BOARD**

Appeals are heard by the Court of Appeal (Section 14 of the Act)

So far there have been two cases that have been appealed.

In one case the Court of Appeal upheld the decision of the Public Accountancy Board.

**We are awaiting a ruling in the second case.**

**The PAB is a Quasi-Judicial body with the powers that that entails.**

## **INSTITUTE OF CHARTERED ACCOUNTANTS OF JAMAICA**

Appeals are heard by the Appeals Committee which comprises members of Council who do not sit on either the Investigations or the Disciplinary Committee.

# Refusal Of An Application For Registration

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## **PUBLIC ACCOUNTANCY BOARD**

Appeals are heard by the Court of Appeal  
(Section 14 of the Act)

There have been no appeals to date.

## **INSTITUTE OF CHARTERED ACCOUNTANTS OF JAMAICA**

# Monitoring Of Work Of Practising Accountants

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## **PUBLIC ACCOUNTANCY BOARD**

This is done by ACCA on behalf of the Board and the Institute.

The Board currently absorbs seventy (70) per cent of the cost.

## **INSTITUTE OF CHARTERED ACCOUNTANTS OF JAMAICA**

This is done by ACCA on behalf of the PAB and ICAJ.

The Institute currently absorbs thirty (30) percent of the cost.

# Inspection Of Practising Accountants

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to ensure that they meet the requirements of including POCA AML legislation, Terrorism Prevention legislation, and the Financial Action Task Force (FATF).

## **PUBLIC ACCOUNTANCY BOARD**

This is done by PAB Inspectors

## **INSTITUTE OF CHARTERED ACCOUNTANTS OF JAMAICA**

This is not done by the ICAJ

# Funding

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## **PUBLIC ACCOUNTANCY BOARD**

The PAB is funded by application fees, annual fees for a practising certificate and by funds raised through training and CPD activities.

The Government of Jamaica funds the POCA AML and the Terrorism Prevention inspection programme.

## **INSTITUTE OF CHARTERED ACCOUNTANTS OF JAMAICA**

The Institute is funded by annual membership fees as well as fees charged for training, continuing professional development and other events.

# Annual Reports And Audited Financial Statements

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## **PUBLIC ACCOUNTANCY BOARD**

These are reviewed by the Cabinet and approved by Parliament.

Once approved by Parliament they are posted on the Board's website.

## **INSTITUTE OF CHARTERED ACCOUNTANTS OF JAMAICA**

These are subject to approval by the membership at the Institute's Annual General Meeting.

# Committees

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## **PUBLIC ACCOUNTANCY BOARD**

The PAB has the following Committees:

Applications, Audit, Disciplinary, HR, Investigations, Public Relations, and Practice Monitoring

## **INSTITUTE OF CHARTERED ACCOUNTANTS OF JAMAICA**

The Institute has the following Committees:

Membership, Student Affairs, Taxation, Legislation Review, Future of the Profession, PR and Marketing, Finance, Audit Practice, Investigation, Disciplinary, CPD. Accounting Standards, Publications, Information and Communication Technology, Bye-Laws and Handbook, Professional Accountants in Business and an Appeals Committee.

# IFAC

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## **PUBLIC ACCOUNTANCY BOARD**

The PAB has adopted IFAC's Code for Ethics for Professional Accountants.

In this connection the PAB pays IFAC an annual license fee for the use of the Code.

## **INSTITUTE OF CHARTERED ACCOUNTANTS OF JAMAICA**

The Institute is a member of IFAC.