



FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER, 2022

ICAG



CONTENTS

Corporate Information	1
Report of the Council	2
Independent Auditor's Report	3-5
Statement of Financial Performance	6
Statement of Financial Position	7
Cash Flow Statements	8
Statement of Changes in Net Assets	9
Notes to the Financial Statements	10-25

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
Dr. Cynthia A. Sallah	Member
Dr. David Annan-Bonny	Member
Mrs. Ellen Abena Addo	Member
Mr. Paul Kwasi Agyemang (CEO)	Member

PRINCIPAL PLACE OF BUSINESS

Accountancy House
Okponglo, East Legon
GA-416-9898
P. O. Box GP 4268, Accra

Telephone:
0544336701/2; 0277801422 - 5

Email: info@icagh.com
Website: www.icagh.org

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

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, 2022 showing Accumulated Fund of GHS48,112,072 made up as follows:

	2022 GHS	2021 GHS
Balance as at 1st January	40,415,219	35,095,241
Add Surplus For the year	7,696,853	5,319,978
Balance as at 31st December	48,112,072	40,415,219

Results

The Statement of Financial Performance for the year ended 31st December, 2022 is set out on page 7.

Activities of the Institute

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

By Order of the Council



President



Vice President



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, 2022, 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 10 to 25, 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, 2022 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 2022 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) of the International Standards of Supreme Audit Institutions,

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) of the International Standards of Supreme Audit Institutions, we exercised professional scepticism 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.

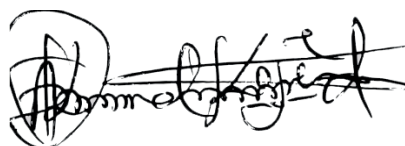
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

- 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**

Accra - Ghana

Dated: 6th April, 2023

STATEMENT OF FINANCIAL PERFORMANCE

FOR THE YEAR ENDED 31 DECEMBER, 2022

REVENUE

	Notes	2022 Actual GH¢	2022 Budget GH¢	2021 Actual GH¢
Members Subscription and Fees	4.1	12,997,061	10,575,825	9,709,712
Students Subscription and Fees	4.2	7,351,174	8,227,600	4,731,089
Revenue from Non-Exchange Transactions		20,348,235	18,803,425	14,440,801
Examinations & Other Students Activities	5.1	13,680,542	14,849,141	9,581,606
Continuing Professional Development	5.2	1,695,582	3,280,000	1,531,580
Professional Body Activities	5.3	4,703,982	3,637,152	3,306,080
Revenue from other exchange transactions	5.4	276,680	288,291	54,843
Revenue from Exchange Transaction		20,356,786	22,054,584	14,474,109
Total Revenue		40,705,021	40,858,009	28,914,910

EXPENSES

Examinations & Other Student Activities	5.1	7,091,961	9,886,055	4,919,746
Continuing Professional Development	5.2	529,274	1,462,250	783,362
Professional Body Activities	5.3	7,720,472	7,700,102	5,037,218
Council and Committee Meetings	6	1,262,149	1,236,300	1,339,782
Employment Cost	7	17,246,066	14,380,648	13,124,084
General Administrative Expenses	8(a)	3,666,221	4,888,984	2,893,211
Impairment Charges	14(b)	61,114	-	49,655
Total Expenses		37,577,257	39,554,339	28,147,058
Surplus from Operations		3,127,764	1,303,670	767,852
Interest Income	9	7,703,371	5,902,865	4,552,126
Less Impairment on Investments under GDDE	12	3,134,282	-	-
Net Interest Income		4,569,089	5,902,865	4,552,126
Surplus for the year		7,696,853	7,206,535	5,319,978

STATEMENT OF FINANCIAL POSITION

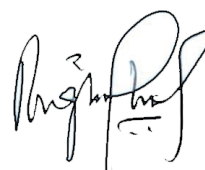
AS AT 31 DECEMBER, 2022

	Notes	2022 Actual GH¢	2022 Budget GH¢	2021 Actual GH¢
ASSETS				
Non-Current Assets				
Property, Plant and Equipment	10	10,669,789	9,673,987	5,528,249
Intangible Assets	11	397,553	66,599	116,200
Investments	12	13,742,963	20,000,000	15,208,669
Total Non-Current Assets		24,810,305	29,740,586	20,853,118
Current Assets				
Inventories	13	1,507,570	1,473,362	1,118,653
Accounts Receivable	14a	4,553,850	4,318,555	2,982,955
Cash & Cash Equivalents	15	30,126,776	22,977,651	24,881,438
Total Current Assets		36,188,196	28,769,568	28,983,046
TOTAL ASSETS		60,998,501	58,510,154	49,836,164
Current Liabilities				
Subscription and other Income in Advance	16	1,702,469	917,043	388,663
Accounts Payable	17	1,969,874	2,026,101	1,662,026
Total Current Liabilities		3,672,343	2,943,144	2,050,689
TOTAL LIABILITIES		3,672,343	2,943,144	2,050,689
NET ASSETS		57,326,158	55,567,010	47,785,475
MEMBERS' FUNDS				
Accumulated Fund	18	48,112,072	47,621,754	40,415,219
ICAEW Bursary	19	-	-	-
Building Fund	20	9,096,591	7,945,256	7,370,256
Members' Welfare Funds	21	117,495	-	-
TOTAL MEMBERS' Funds		57,326,158	55,567,010	47,785,475

The Council approved the 2022 Financial Statements set out on pages 6-24 on 6th April, 2023.



PRESIDENT



VICE PRESIDENT

CASH FLOW STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER, 2022

	Notes	2022 Actual GH¢	2022 Budget GH¢	2021 Actual GH¢
Operating Activities				
Net cash inflow from operations	22	8,569,380	7,794,996	5,768,070
Investing Activities				
Purchase of Property and Equipment	10	(6,072,294)	(5,232,850)	(660,068)
Investments in long term bonds	12	1,465,706	(4,940,933)	(15,208,669)
Purchase of Intangible Assets	11	(561,284)	(100,000)	-
Proceeds from disposal	23	-	-	46,450
Net cash used in Investing Activities		(5,167,872)	(10,273,783)	(15,822,287)
Financing Activities				
Movement in ICAEW fund	19	-	-	-
Movement in Building fund	20	1,726,335	575,000	1,380,355
Movement in Members' Welfare Fund	21	117,495	-	-
Net cash generated from Financing Activities		1,843,830	575,000	1,380,355
(Decrease)/Increase in Cash and Cash equivalents		5,245,338	(1,903,787)	(8,673,862)
Movement in cash and cash equivalents				
At the start of the year		24,881,438	24,881,438	33,555,300
Increase/(Decrease)		5,245,338	(1,903,787)	(8,673,862)
At the end of the year	15	30,126,776	22,977,651	24,881,438

STATEMENT OF CHANGES IN NET ASSETS

FOR THE YEAR ENDED 31 DECEMBER, 2022

2022	Accumulated Fund GH¢	Building Fund GH¢	Members' Welfare Fund GH¢	ICAEW GH¢	Total
Balance at 1 January	40,415,219	7,370,256	-	-	47,785,475
Surplus for the period	7,696,853	-	-	-	7,696,853
Additions during the year	-	570,900	117,495	129,525	817,920
Investment Income	-	1,155,435	-	-	1,155,435
Awards/ Disbursement	-	-	-	(129,525)	(129,525)
Balance at 31 December 2022	48,112,072	9,096,591	117,495	-	57,326,158

2021	Accumulated Fund GH¢	Building Fund GH¢	Members' Welfare Fund GH¢	ICAEW GH¢	Total
Balance at 1 January	35,095,241	5,989,901	-	-	41,085,142
Surplus for the year	5,319,978	-	-	-	5,319,978
Additions during the year	-	566,240	-	66,495	632,735
Investment Income	-	814,115	-	-	814,115
Awards/ Disbursement	-	-	-	(66,495)	(66,495)
Balance at 31 December	40,415,219	7,370,256	-	-	47,785,475

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER, 2022

1. REPORTING ENTITY

Institute of Chartered Accountants, Ghana is a statutory body established under 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 this financial statement is the International Public Sector Accounting Standards (IPSASs). Below are the policies:

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 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 and equipment
- Net realizable value of inventories
- Recoverability of receivables
- Classification of financial asset
- Impairment of financial assets/recoverability
- Capitalization of Intangible 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 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 useful life of the various assets are as follows:

• Buildings Over	30years
• Motor Vehicles	5years
• Furniture and equipment	5years
• Fittings	5years
• Library Books	5years

A full year's depreciation provision is made irrespective of the date of purchase. 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.

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. A provision 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.

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.

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 benefits 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 nonexchange 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 as 'financial assets measured at amortized cost'. A financial instrument is classified as 'financial asset at amortized cost' when both criteria outlined below 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 and interest.

2.15.2 Recognition and De-recognition

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 asset at its fair value plus transaction costs that are directly attributable to the acquisition of the financial assets.

Subsequent to initial recognition, these assets are measured at amortized cost using the effective interest rate method. Interest income from these financial assets is included in finance income using the effective rate method. Any gain or loss arising on recognition is recognized directly in the statement of financial performance and presented in other gains/(losses) together with foreign exchange gains and losses. Impairment losses are presented as a separate line item in the statement of financial performance.

2.15.4 Impairment

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

The Institute applies the IPSAS 29 & 41 approach to measuring expected credit losses which uses a lifetime expected loss allowance for all trade receivables. To measure the expected credit losses, trade receivables have been grouped based on shared credit risk characteristics and the days past due.

The expected loss rates based on the payment profiles of counter parties and the corresponding historical credit losses experienced within this period. The

historical loss rates are adjusted to reflect current and forward-looking information on macroeconomic factors (where data is available and is obtained without undue effort or cost) affecting the ability of the counter parties to settle the receivables.

2.16 Financial liabilities

Financial liabilities, are carried at amortized cost using the effective interest method. Financial liabilities are derecognized when they are redeemed or otherwise extinguished.

2.17 Building Fund

Building fund is in respect of amounts contributed by members of the Institute to support the construction of the Accountancy Village. Contributions to the building fund are recognized separately in reserves when received from members. Interest earned from investing members' contributions is included in the fund balance in the Statement of Financial Position.

2.18 Members' Welfare Fund

Council approved the establishment of a welfare policy for members in 2021. This is in addition to the existing member's life insurance policy which covers death and permanent disability.

The purpose of the welfare policy is to provide the following support to members:

a) Legal Support

A legal desk has been created at the Secretariat to assist members with work-related legal issues. The legal officer

will review their cases and advise. This assistance will not include representation in court.

b) Counselling Support

In the case of members who may require counselling support, a counsellor will be on call periodically to handle such cases.

The policy is funded with 2% of members' annual subscriptions received.

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¢30,126,776** (2021: GH¢24,881,438). This is expected to readily generate cash inflows for managing liquidity risk.

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 concentrations 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 at December 31, 2022, the Council was unaware of any significant un-provided credit risk.

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.

4 REVENUE

	2022 Actual GH¢	2022 Budget GH¢	2021 Actual GH¢
4.1 Members Subscription and Fees			
Subscription	7,536,056	5,543,600	5,026,862
Fees from Practising Firms	3,632,550	3,837,225	3,196,900
Entrance Fees	1,363,400	775,000	1,123,980
Practice Licence	465,055	420,000	361,970
	12,997,061	10,575,825	9,709,712

4.2 Student Subscription and Fees

Registration	687,942	901,600	387,930
Subscriptions	2,334,177	2,917,000	1,618,583
Exemptions	4,329,055	4,409,000	2,724,576
	7,351,174	8,227,600	4,731,089

	2022 Actual	2022 Budget INCOME	2021 Actual	2022 Actual	2022 Budget EXPENDITURE	2021 Actual
5 OTHER OPERATING ACTIVITIES						
5.1 Examination and students activities						
Examinations	11,208,747	10,667,400	7,160,222	4,931,000	6,436,449	3,263,882
Students activities	815,146	2,193,800	616,639	1,236,552	2,414,792	713,135
Manuals and Souvenirs	1,656,649	1,987,941	1,804,745	924,409	1,034,814	942,729
	13,680,542	14,849,141	9,581,606	7,091,961	9,886,055	4,919,746

5.2 Continuing Professional Development

CPD Activities	850,192	1,596,000	705,826	66,938	625,000	346,029
Practice Orientation	362,015	600,000	210,400	106,151	97,000	60,733
Chartered Diploma	483,375	1,084,000	615,354	356,185	740,250	376,600
	1,695,582	3,280,000	1,531,580	529,274	1,462,250	783,362

	2022 Actual	2022 Budget	2021 Actual	2022 Actual	2022 Budget	2021 Actual
		INCOME		EXPENDITURE		
5.3 Professional Body Activities						
Accountants Week Conference	2,349,192	1,418,402	1,635,095	2,028,653	575,250	1,766,032
ABWA Expenses	-	-	-	587,562	635,141	32,433
PAFA Expenses	-	-	-	267,570	976,300	283,439
IFAC Expenses	-	-	-	-	455,650	-
WCOA Expenses	-	-	-	1,105,524	-	-
ACOA Expenses	-	-	-	-	-	477,749
Quality Assurance Expenses	-	-	-	267,482	621,451	188,749
Journal/Technical Expenses	-	-	-	529,157	2,645,800	173,050
Members' Costs	-	-	-	439,996	555,360	546,121
Subscription Affiliate	-	-	-	1,211,667	-	480,117
Presidential Luncheon	-	800,000	294,085	-	345,150	484,875
Induction/Graduation	2,354,790	1,418,750	1,376,900	1,282,861	890,000	604,653
	4,703,982	3,637,152	3,306,080	7,720,472	7,700,102	5,037,218

	2022 Actual GH¢	2022 Budget GH¢	2021 Actual GH¢
5.4 Revenue from other exchange transactions			
Exchange Difference	227,070	-	8,393
Miscellaneous Income	49,610	288,291	-
Disposal of Asset	-	-	46,450
	276,680	288,291	54,843

6 COUNCIL AND COMMITTEE EXPENSES

Council and Committee Expenses	933,439	914,322	990,854
Council Travel & Associated Cost	328,710	321,978	348,928
	1,262,149	1,236,300	1,339,782

7 EMPLOYMENT COSTS

Employee Benefits	14,204,176	12,424,737	11,352,771
Other Employment Costs	3,041,890	1,955,911	1,771,313
	17,246,066	14,380,648	13,124,084

8(a) GENERAL ADMINISTRATIVE EXPENSES

	2022	2022	2021
	Actual	Budget	Actual
	GH¢	GH¢	GH¢
Bank Charges	31,467	35,496	30,697
Cleaning and Sanitation	244,669	299,242	185,725
Audit Expenses	4,000	8,837	1,439
Computer Accessories	37,404	54,000	17,252
Consultancy	22,500	50,000	45,000
Depreciation Expenses (Note 8b)	1,148,581	1,315,202	961,340
Electricity & Water	234,429	308,679	232,998
Fuel - Plant & Vehicles	117,600	140,414	39,415
Insurance	107,902	139,925	169,171
Legal Expenses	46,030	180,000	46,758
Motor Vehicle Running Expenses	88,691	100,000	71,478
Newspaper & Periodicals	17,201	18,003	14,172
Postage & Courier	25,905	33,030	28,269
Printing & Stationery	66,913	74,133	39,204
Rent & Rates	193,554	220,590	178,769
Repairs and Maintenance-Equipment	63,138	92,558	27,959
Repairs & Maintenance - Buildings	188,093	205,304	6,351
Security Expenses	61,187	93,939	56,347
Staff Admin. Cost	92,793	214,118	95,449
Staff Training & Development	198,010	200,000	64,005
Telecommunication Cost	454,973	617,302	455,626
Vehicles Tracking Cost	11,410	16,865	8,137
Adverts and Marketing	116,789	380,001	90,300
Sponsorship and Awards Cost	92,982	91,346	27,350
	3,666,221	4,888,984	2,893,211

8(b) ANALYSIS OF DEPRECIATION

Property, Plant & Equipment	930,754	1,087,112	918,637
Intangible assets:	279,931	299,203	448,805
Transfer to Study Manual Cost of Sales (Amortisation of Study materials development cost)	(62,104)	(71,113)	(406,102)
	217,827	228,090	42,703
Total Depreciation allocated to Gen. Admin. Expense	1,148,581	1,315,202	961,340

9 INTEREST INCOME

	2022 Actual GH¢	2022 Budget GH¢	2021 Actual GH¢
Interest on Investments	7,522,885	5,764,564	4,405,211
Call Interest Income	131,863	101,043	110,398
Interest on staff loans	48,623	37,258	36,517
	7,703,371	5,902,865	4,552,126

10 PROPERTY, PLANT AND EQUIPMENT

2022	Leasehold Land and Buildings GH¢	Construction Work in Progress GH¢	Motor Vehicle GH¢	Equipment Furniture/ fittings GH¢	Library Books GH¢	Total GH¢
Cost						
Balance at 1 January 2022	4,286,586	2,121,662	2,502,035	4,023,202	103,826	13,037,311
Additions	4,802,250	582,395	360,642	327,007	-	6,072,294
Disposal/Reversal	-	-	-	-	-	-
Balance at 31 December 2022	9,088,836	2,704,057	2,862,677	4,350,209	103,826	19,109,605
Depreciation						
Balance at 1 January 2022	1,563,126	-	2,152,859	3,727,308	65,769	7,509,062
Charge for the year	307,448	-	356,340	250,500	16,466	930,754
Disposal/Reversal	-	-	-	-	-	-
Balance at 31 December 2022	1,870,574	-	2,509,199	3,977,808	82,235	8,439,816
Net book value at 31 December 2022	7,218,262	2,704,057	353,478	372,401	21,591	10,669,789

Budget

Cost						
Balance at 1 January 2022	4,286,586	2,121,662	2,502,035	4,023,202	103,826	13,037,311
Additions	4,700,000	-	348,000	184,850	-	5,232,850
Disposal/Reversal	-	-	-	-	-	-
Balance at 31 December 2022	8,986,586	2,121,662	2,850,035	4,208,052	103,826	18,270,161
Depreciation						
Balance at 1 January 2022	1,563,126	-	2,152,859	3,727,308	65,769	7,509,062
Charge for the year	359,096	-	416,202	292,582	19,232	1,087,112
Disposal/Reversal	-	-	-	-	-	-
Balance at 31 December 2022	1,922,222	-	2,569,061	4,019,890	85,001	8,596,174
Net book value at 31 December 2022	7,064,364	2,121,662	280,974	188,162	18,825	9,673,987

2021	Leasehold Land and Buildings	Construction Work in Progress	Motor Vehicle	Equipment Furniture/ fittings	Library Books	Total
	GH¢	GH¢	GH¢	GH¢	GH¢	GH¢
Cost						
Balance at 1 January 2021	4,244,607	2,121,662	2,351,334	3,754,026	103,826	12,575,455
Additions	41,979		348,913	269,176	-	660,068
Disposal/(Reversal)	-	-	(198,212)	-	-	(198,212)
Balance at 31 December 2021	4,286,586	2,121,662	2,502,035	4,023,202	103,826	13,037,311
Depreciation						
Balance at 1 January 2021	1,415,753	-	1,870,624	3,452,957	49,303	6,788,637
Charge for the year	147,373	-	480,447	274,351	16,466	918,637
Disposals	-	-	(198,212)	-	-	(198,212)
Balance at 31 December 2021	1,563,126	-	2,152,859	3,727,308	65,769	7,509,062
Net book value as at 31 Dec 2021	2,723,460	2,121,662	349,176	295,894	38,057	5,528,249

11 INTANGIBLE ASSETS

	2022 Actual GH¢	2022 Budget GH¢	2021 Actual GH¢
Cost			
Balance at 1 January	2,849,599	2,849,599	2,849,599
Additions	561,284	249,602	-
Disposals/Reversals	-	-	-
Balance at 31 December	3,410,883	3,099,201	2,849,599
Amortisation			
Balance at 1 January	2,733,399	2,733,399	2,284,594
Charge for the period	279,931	299,203	448,805
Disposals/Reversals	-	-	-
Balance at 31 December	3,013,330	3,032,602	2,733,399
Net book value as at 31 December	397,553	66,599	116,200

12 INVESTMENT IN LONG-TERM BONDS

	2022 Actual GH¢	2022 Budget GH¢	2021 Actual GH¢
GoG Bonds	16,877,245	20,000,000	15,208,669
Provision for Impairment	(3,134,282)	-	-
	13,742,963	20,000,000	15,208,669

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. Key considerations were given to the principal, rates, tenor and expected future cash flows.

13 INVENTORIES

ICAG Souvenir items	996,515	995,370	773,131
Study Manuals	511,055	477,992	345,522
	1,507,570	1,473,362	1,118,653

14 (a) ACCOUNT RECEIVABLE

Subscriptions and Fees Receivables	1,665,349	1,637,644	301,742
Building Levy Receivable	1,920,072	1,821,572	1,946,572
Additions/Reversals	-	-	-
Less : Allowance for impairment	(185,687)	(124,573)	(124,573)
Net	3,399,734	3,334,643	2,123,741
Staff Debtors	794,333	458,196	480,427
Sundry Receivables	20,544	208,039	154,417
Prepayments	339,239	317,677	224,370
	1,154,116	983,912	859,214
Total Accounts Receivables	4,553,850	4,318,555	2,982,955

14(b) Impairment Allowance on Receivables

Opening Balance	124,573	124,573	74,918
Increase during the year	61,114	-	49,655
Closing Balance	185,687	124,573	124,573

	2022 Actual GH¢	2022 Budget GH¢	2021 Actual GH¢
15 CASH AND CASH EQUIVALENTS			
Cash and Bank balances	2,140,292	1,000,000	983,883
Short term investments	27,986,484	19,035,991	23,897,555
	30,126,776	20,035,991	24,881,438
16 SUBSCRIPTION/OTHER INCOME IN ADVANCE			
Subscriptions paid in advance	1,702,469	917,043	388,663
	1,702,469	917,043	388,663
17 ACCOUNTS PAYABLE			
Trade Creditors	956,836	1,012,401	678,725
Statutory Expenses Payable	930,195	807,740	658,587
Accrued Expenses	82,843	205,960	324,714
	1,969,874	2,026,101	1,662,026
18 ACCUMULATED FUND			
Balance at 1 January	40,415,219	40,415,219	35,095,241
Surplus for the year	7,696,853	7,206,535	5,319,978
Balance at 31 December	48,112,072	47,621,754	40,415,219
19 ICAEW CHARITABLE BURSARY			
The fund was set up through the collaboration between the ICAEW Charitable Trust and the Institute of Chartered Accountants, Ghana to offer a need-based bursary to support 11 (eleven) students of ICAG for a two year period.			
Balance at 1 January	-	-	-
Additions	129,525	100,000	66,495
Withdrawals	(129,525)	(100,000)	(66,495)
Balance at 31 December	-	-	-

	2022 Actual GH¢	2022 Budget GH¢	2021 Actual GH¢
20 BUILDING FUND			
Balance at 1 January	7,370,256	7,370,256	5,989,901
Additions	570,900	575,000	566,240
Investment Income	1,155,435	-	814,115
Balance at 31 December	9,096,591	7,945,256	7,370,256
Receivable from members at 1 January	1,946,572	1,946,572	2,089,072
Debit notes issued during the year	544,400	450,000	423,740
Receipts from members	(570,900)	(575,000)	(566,240)
Receivable from members at 31 December	1,920,072	1,821,572	1,946,572
21 MEMBERS' WELFARE FUND			
Balance at 1 January	-	-	-
Additions	117,495	-	-
Balance at 31 December	117,495		
22 CASH GENERATED FROM OPERATION			
Net Surplus for the year	7,696,853	7,206,535	5,319,978
Depreciation - Property, Plant & Equipment	930,754	1,087,112	918,637
Depreciation - Intangibles	279,931	299,203	448,805
Profit on Disposal	-	-	(46,450)
	8,907,538	8,592,850	6,640,970
Working Capital Movement			
(Increase)/Decrease in Inventories	(388,917)	(354,709)	(319,122)
(Increase)/Decrease in Account Receivable	(1,570,895)	(1,335,600)	129,167
Increase/(Decrease) in Accounts Payables	307,848	364,075	(269,829)
Increase)/(Decrease) in Advance Receipts	1,313,806	528,380	(413,116)
	(338,158)	(797,854)	(872,900)
Net Cash Inflow from Operating Activities	8,569,380	7,794,996	5,768,070
23 DISPOSAL OF ASSET			
Cost of Asset	-	-	198,212
Less Accumulated Depreciation	-	-	(198,212)
Proceeds on Disposal	-	-	46,450
Profit on Disposal (Note 5.4)	-	-	46,450

24 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 (2021: GH¢900,000).

25 CAPITAL COMMITMENTS

There were capital commitments in relation to the Institute's development at Oyibi as at the reporting date (2021: Nil).

26 EVENTS AFTER REPORTING DATE

There were no subsequent events after the reporting date (2021: Nil).