



HOUSE OF REPRESENTATIVES FEDERAL REPUBLIC OF NIGERIA

VOTES AND PROCEEDINGS

Tuesday, 8 July, 2008

1. The House met at 10.16 a.m. Mr Speaker read Prayers.
2. **Votes and Proceedings:**

Mr Speaker announced that he had examined and approved the Votes and Proceedings of Thursday, 3 July, 2008.

By unanimous consent, the Votes and Proceedings was adopted.
3. **Petitions:**

The following petitions were received and referred to the Committee on Public Petitions:

 - (i) Hon. Solomon Agidani (*Akpa/Agatu Federal Constituency*), from David Anebi Ngbede, praying the House to investigate the alleged wrongful and unjust termination of his appointment by the defunct People's Bank of Nigeria (now Nigeria Agricultural Cooperative and Rural Development Bank), Kaduna with a view to re-instating him and paying all his outstanding entitlements;
 - (ii) Hon. Mohammed Saleh (*Sabon Gari Federal Constituency*), from the family of late Inspector Rabin Garba, praying the House to prevail on the Nigeria Police Force to pay them their late fathers entitlements;
 - (iii) Hon. Austin Nwachukwu (*Ehime Mbano/Jhitte Ubomn/Obowo Federal Constituency*), from Onyeagwu Udo M, praying the House to investigate the alleged wrongful termination of his appointment by the Nigerian Immigration Service with a view to re-instating him and paying all his outstanding entitlements;
 - (iv) Hon. Ralph Okeke (*Anambra East/West Federal Constituency*), from Akakwandu Henry C. and two others, praying the House to intervene and cause the Management of the Federal Polytechnic, Oko to confirm their appointments and pay all their entitlements.
4. **Matter of Urgent Public Importance:**

Relying on Order VIII, Rule 4, Hon. Chidoka Obinna drew the attention of the House to the imminent collapse of the Niger Bridge between Onilsha and Asaba, and sought an urgent intervention of the Federal Government to save the situation. He prayed the House to debate the matter as one of urgent public importance.

Question that waiter be considered as one of urgent public importance, put and agreed to. Matter to stand over till the next Legislative Day.

5. **Privilege:**

Citing Order V, Rules 1 and 4 of the Standing Orders of the House, Hon Chukwuma Mayor Eze drew the attention of the House to the publication in ThisDay Newspaper of July 6, 2008 in which Members of the House of Representatives were scored on performance assessment conducted by the newspaper without stating the criteria for which the evaluations were based.

He asserted that the act was capable of causing serious political misfortune for those Members that were rated very low and urged that the Management of ThisDay Newspaper be called to order.

Debate:

Mr Speaker observed that the Newspaper was merely doing its job. He advised [those Hon. Members rated low to take up the matter with ThisDay Newspaper Management and appealed to the Nigerian media to always be fair and objective in their assessment.

6. **Presentation of Reports:**(i) **Committee on Inter Parliamentary:**

Motion made and Question proposed, "That this House do receive the Report of the Committee on Inter Parliamentary on the 53rd Commonwealth Parliamentary Conference held in New Delhi, India" (Hon. Binta Masi Garba).

Question put and agreed to.

Report Laid.

Report referred to the Committee on Legislative Compliance.

(ii) **Committee on Inter Parliamentary:**

Motion made and Question proposed, "That this House do receive the Report of the Committee on Inter Parliamentary on the 118th Assembly of the Inter-Parliamentary Union (IPU) held in Cape Town, South Africa" (Hon. Binta Masi Garba).

Question put and agreed to.

Report Laid.

Report referred to the Committee on Legislative Compliance.

7. **A Bill for an Act to Amend the Social Development Act Cap. S7 Laws of the Federation of Nigeria, 2004 by Removing the Social Development Division of the Ministry of Employment, Labour and Productivity to the Ministry of Youth Development, and for Related Matters, 2008 (HB. 53) — Second Reading:**

Motion made and Question proposed, "That a Bill for an Act to Amend the Social Development Act Cap. S7 Laws of the Federation of Nigeria, 2004 by Removing the Social Development Division of the Ministry of Employment, Labour and Productivity to the Ministry of Youth Development, and for Related Matters, 2008 be now read a Second Time" (Hon. Emmanuel Audu Maisango).

Debate:

Question that the Bill be now read a Second Time, put and negatived.

8. **A Bill for an Act to Promote the Internal Organisation and Administration of Political Parties in Nigeria to Provide Best Democratic Practice and Free, Fair Intra Party Elections, Congresses, Conventions and for Related Matters, 2008 — Second Reading:**

Order read; deferred.

9. **A Bill for an Act to Amend the Passport (Miscellaneous Provisions) Acts, Cap. PI. Laws of the Federation of Nigeria, 2004 so as to Clearly Define Persons Eligible for the Issuance of Diplomatic and Official Passports, 2008 — Second Reading:**

Motion made and Question proposed, "That a Bill for an Act to Amend the Passport (Miscellaneous Provisions) Acts, Cap. PI. Laws of the Federation of Nigeria, 2004 so as to Clearly Define Persons Eligible for the Issuance of Diplomatic and Official Passports, 2008 be now read a Second Time" (Hon. West Idahosa).

Debate:

Question that the Bill be now read a Second Time, put and agreed to.

Bill read a Second Time and referred to the Committee on Interior Affairs.

10. **A Bill for an Act to Repeal the Nigerian Accounting Standards Board Act No. 22 of 2003 and Enact the Financial Reporting Council of Nigeria Act and for Related Matter, 2008 — Adjourned**

Consideration:

6/5/2008):

Motion made and Question proposed, "That this House do resume consideration-of a Bill for an Act to Repeal the Nigerian Accounting Standards Board Act No. 22 of 2003 and Enact the Financial Reporting Council of Nigeria Act and for Related Matter, 2008 (Hon. Gbenga Onigbogi).

Question put and agreed to.

Question that the House do resolve into the Committee of Whole to resume consideration of the Bill, put and agreed to.

(HOUSE IN COMMITTEE)

(Mr Deputy Speaker in the Chair)

A BILL FOR AN ACT TO REPEAL THE NIGERIAN ACCOUNTING STANDARDS BOARD ACT NO. 22 OF 2003 AND ENACT THE FINANCIAL REPORTING COUNCIL OF NIGERIA ACT AND FOR RELATED MATTER, 2008

Committee Recommendation:

Clause 2: Establishment and Membership of the Governing Board.

(1) There is established for the Council, a Governing Board (in this Act referred to as "the Governing Board") which shall have overall control of the Council.

(2) The Governing Board shall consist of:

(a) a Chairman who shall be a professional accountant with considerable professional experience in accounting practices;

(b) four representatives from the Institute of Chartered Accountants of Nigeria; and

(c) two representatives from the Association of National Accountants of Nigeria;

(d) one representative from each of the following:

(i) Office of the Accountant-General of the Federation,

(ii) Office of the Auditor-General for the Federation,

(iii) Central Bank of Nigeria,

(iv) Chartered Institute of Stockbrokers,

(v) Chartered Institute of Taxation of Nigeria,

(vi) Corporate Affairs Commission,

(vii) Federal Inland Revenue Service,

(viii) Federal Ministry of Commerce,

- {xi) Institute of Directors,
- {xi) Nigerian Accounting Association,
- (xiii) Nigerian Association of Chambers of Commerce, Industries, Mines and Agriculture,
- (xiv) Nigerian Deposit Insurance Corporation, (xv) Nigerian Institution of Estate Surveyors and Valuers, (xvi) Securities and Exchange Commission, {xvh) National Insurance Commission, and
- (xviii) Nigerian Stock Exchange; (e) the Executive Secretary of the Council (Hon. Gbenga Onigbogi).

Amendments Proposed:

- (/) In subclause (2) (b) leave out the word "four" and insert the word "two" instead thereof (Hon. Labaran Danbatta).

Question that the amendment be made, put and agreed to.

- (ii) Leave out the provisions in (2) (d)(x) and (xi) (Hon. Tsegba Terngu).

Question that the amendment be made, put and agreed to.

- (in) Insert a new subclause (2) (d) (xix) as follows:

"National Pension Commission" (Hon. Gbenga Onigbogi). Question that the amendment be made, put and agreed to. Question that Clause 2 as amended, stand part of the Bill, put and agreed to.

Committee Recommendation:

Clause 3: Appointment and Tenure of Office.

- (1) The Chairman shall be appointed by the President, on the recommendation of the Minister. The Members shall be recommended by their various professional or statutory bodies to the Minister for appointment by the President.
- (2) The Chairman and other members of the Governing Board shall each hold office:
 - (a) for a term of 4 years in the first instance and may be reappointed for a further term of 4 years and no more; and
 - (b) on such terms and conditions as may be specified in their letters of appointment (Hon. Gbenga Onigbogi) — Agreed to.

Question that Clause 3 stand part of the Bill, put and agreed to.

Committee Recommendation:

Clause 4: Emoluments.

The Chairman and members of the Governing Board shall be paid such emoluments, allowances and benefits as the President may from time-to-time direct (Hon. Gbenga Onigbogi) — Agreed to.

Question that Clause 4 stand part of the Bill, put and agreed to.

Committee Recommendation:

Clause 5: Functions of the Governing Board.

The Governing Board shall:

- (1) determine broad strategies and priorities;
- (2) set out budget, secure the necessary funding and monitor expenditure;
- (3) appoint the Directors and other senior management staff;
- (4) oversee the delivery by each Directorate of their functions, through regular reports from the directorates' coordinating directors;
- (5) oversee the performance of the executive through regular reports from the Chief Executive Officer;
- (6) approve any significant structural changes to the Council;
- (7) ensure that the Council and its directorates achieve high levels of accountability and transparency;
- (8) undertake annual assessment of the risks to the success of the operations of the Council and oversee the necessary risk mitigation plan; and
- (9) undertake annual evaluation of its own performance, and that of its committees and operating bodies, against its objectives, including a review of the schedule of matters reserved to the Board (*Hon. Ghenga Onigbogi*) — *Agreed to*.

Question that Clause 5 stand part of the Bill, put and agreed to.

Committee Recommendation:

Clause 6: Objects of the Council.

The Objects of the Council shall be to:

- (a) protect investors and other stakeholders interests;
- (b) give guidance on issues related to financial reporting and corporate governance to bodies listed in sections. 2 (2) (b), (c) and (d) of this Act.
- (c) ensure good corporate governance practices in the public and private sectors of the Nigerian economy;
- (d) ensure accuracy and reliability of financial reports and corporate disclosures, pursuant to the various laws and regulations currently in existence; and
- (e) harmonize activities of relevant professional and regulatory bodies as relating to Corporate Governance and Financial Reporting (*Hon. Gbenga Onigbogi*) ~ *Agreed to*.

Question that Clause 6 stand part of the Bill, put and agreed to.

Committee Recommendation:

Clause 7: Powers of the Council.

- (1) The Council shall have powers to do all things necessary for or in connection with the performance of its functions.
- (2) Without prejudice to the generality of subsection (1) of this Section, but subject to the provisions of this Act, the Council shall have the power to:
 - (a) enforce and approve enforcement of compliance with accounting, auditing, corporate governance and financial reporting standards in Nigeria;
 - (b) enter into such contracts as may be necessary or expedient for the purpose of discharging its functions;

- (c) borrow such sums of money or raise such loans as it may require for the purpose of discharging its functions;
- (d) cooperate with, or become a member or an affiliate of, any international body, the objects or functions of which are similar to, or connected with those of the Council;
- (e) impose such charges or fees as may be required under this Act;
- (f) levy such charges or fees as may be reasonable for services and facilities provided by the Council;
- (g) assess ethical codes, guidelines and standards relating to financial reporting, accounting and auditing;
- (h) establish rules and regulations for its operations;
- (i) exercise such powers as are necessary or expedient for giving effect to the provisions of this Act;
- (j) require management assessment of internal controls, including Information Systems controls with independent attestation;
- (k) require code of Ethics for Financial Officers and certification of financial statements by Chief Executive Officer and Chief Finance Officer;
- (l) make regulations on Accounting and Audit Committee;
- (m) make regulations in relation to Auditing and quality control;
- (n) require entities to provide real time disclosures on material changes in financial conditions or operation
- (o) pronounce forfeiture, by Chief Executive Officers and Chief Financial Officer, of certain bonuses received from the company and profits realized from the sale of company shares owned by them where the company is required to prepare an accounting restatement (*Hon. Gbenga Onigbogi*) — *Agreed to.*

Question that Clause 7 stand part of the Bill, put and agreed to.

Committee Recommendation:

Clause 8: Functions of the Council.
The Council shall:

- (a) develop and publish accounting and financial reporting standards to be observed in the preparation of financial statement of public interest entities;
- (b) promote the general acceptance and adoption of such standards by preparers and users of financial statements;
- (c) promote and enforce compliance with the accounting and financial reporting standards adopted by the Council;
- (d) review from time-to-time the accounting and financial reporting standards developed in line with the prevalent social, economic and political environment;
- (e) receive from time-to-time notices of non-compliance with approved standards from

- (g) advise [he Federal Government on matters relating to accounting and financial reporting standards;
- (h) monitor and ensure the truth and fairness of accounting and financial reports of public interest entities;
- (i) maintain a register of professional accountants and other professionals engaged in the financial reporting process;
- (j) monitor compliance with the reporting requirements specified in the adopted code of corporate governance;
- (k) ensure co-ordination of the activities of/and cooperation with international institutions in the enforcement of financial reporting, accounting and auditing standards through **the** professional bodies that belong to such institutions;
- (l) promote compliance with the adopted standards issued by the International Federation of Accountants and International Accounting Standards Board;
- (m) monitor and encourage activities which promote education and training in the fields of accounting and auditing;
- (n) conduct practice reviews of registered professional accountants
- (o) review financial statements and reports of public interest entities;
- (p) encourage and where appropriate, finance research into any matter affecting financial reporting, accounting, auditing, and corporate governance;
- (q) enforce compliance with the Act and the rules of the Council by conducting investigations and where appropriate, impose sanctions on registered professionals and the affected public interest entities;
- (r) establish and administer such systems or schemes as the Council may consider necessary or expedient for the discharge of its functions;
- (s) engage in any activity, either alone or in conjunction with any other organization or agency, whether local or international, that is connected with, or conducive to the discharge of its functions;
- (t) encourage public consultation as may be necessary in order to determine the contents of accounting concepts, principles and standards;
- (u) receive copies of all qualified reports together with detailed explanations for such qualifications from auditors of the financial statements within a period of thirty days from the date of such qualification and such reports shall not be announced to the public until all accounting issues are resolved by the Council; and
- (v) perform such other duties which in the opinion of the Governing Board are necessary or expedient to ensure the efficient performance of the functions of the Council under this Act (*Hon. Gbenga Onigbogi*) — *Agreed to.*

Question that Clause 8 stand part of the Bill, put and agreed to.

Committee Recommendation:

Clause 9: Disqualification from Membership.

A person shall not be appointed or shall continue to hold office as a member of the Board if he:

- (c) is incapacitated by mental illness; or
- (d) is otherwise unable or unfit to discharge the functions of a member (*Hon. Gbenga Onigbogi*) — Agreed to.

Question that Clause 9 stand part of the Bill, put and agreed to.

Committee Recommendation:

Clause 10: Vacation of Office.

- (1) The seat of a member shall become vacant:
 - (a) where he resigns;
 - (b) where he becomes disqualified from membership under Section 9 of this Act;
 - (c) where he no longer holds the office by virtue of which he became a member;
 - (d) where he has been absent from three consecutive meetings or three quarters of the meetings of the Board during a financial year without any leave from:
 - (i) the Minister, in the case of the Chairman; or
 - (ii) the Chairman, in the case of any other Board member.
- (2) A member of the Board may resign his appointment by a notice in writing, addressed to the President, and that member shall, on the date of receipt of the notice by the President, cease to be a member of the Board, or if the President is satisfied that it is not in the interest of the Board or in the interest of the public for the person appointed to continue in office, the President may on the recommendation of the Minister, notify the person in writing to that effect (*Hon. Gbenga Onigbogi*) — Agreed to.

Question that Clause 10 stand part of the Bill, put and agreed to.

Committee Recommendation:

Clause 11: Filling of Vacancies.

- (1) Any vacancy of the seat of a member created by virtue of sections 9 and 10 shall be filled not later than 30 days from the date of the occurrence of the vacancy.
- (2) Any person appointed under subsection (1) of this section shall hold office for the remainder of the term for which the vacating member was appointed (*Hon. Gbenga Onigbogi*) — Agreed to.

Question that Clause 11 stand part of the Bill, put and agreed to.

Committee Recommendation:

Clause 12: Meetings of the Governing Board.

- (1) The Board shall meet as often as is necessary and at least once every 3 months and at such time and place as the Chairman shall determine subject to 14 days notice.
- (2) The Board shall meet if required to do so, by notice to the Chairman, by not less than four member organisations and the Chairman shall summon a meeting of the Board within 14 days from the date on which the notice is given.
- (3) At every meeting of the Board, the Chairman shall preside and in his absence, the members present shall elect a member to act as Chairman of the meeting.

- (4) Subject to the provisions of this Act and Section 27 of the Interpretation Act (which provides for decisions of a statutory body to be taken by a majority of its members and for the person presiding at any meeting, when a vote is ordered, to have a second or casting vote) the Board may make standing orders regulating its proceedings or that of any of its Committees.
- (5) The Council shall set up Committees which shall have the duty as assigned to them under this Act {*Hon. Gbenga Onigbogi*} — *Agreed to.*

Question that Clause 12 stand part of the Bill, put and agreed to.

Committee Recommendation:

Clause 13: Quorum for Board Meetings.

- (1) The quorum at a meeting of the Board shall not be less than one third of the total number of members of the Governing Board as at the date of the meeting.
- (2) The quorum of any Committee set up by the Board (except the Technical and Oversight Committee and the Finance and General Purposes Committee) shall be as may be determined by the Governing Board {*Hon. Gbenga Onigbogi*} — *Agreed to.*

Question that Clause 13 stand part of the Bill, put and agreed to.

Committee Recommendation:

Clause 14: Establishment of Committees of the Governing Board.

Where the Governing Board desires to obtain the advice of any person on a particular matter, the Board may co-opt him into the Board for such period as it deems fit; but a person who is a member by virtue of this section shall not be entitled to vote at any meeting of the Governing Board and shall not count towards a quorum (*Hon. Gbenga Onigbogi*) — *Agreed to.*

Question [hat Clause 14 stand part of the Bill, put and agreed to.

Committee Recommendation:

Clause 15: Establishment of Committees of the Governing Board.

- (1) There is hereby established for the Council three Standing Committees:
 - {a) Technical and Oversight Committee; and
 - {b) Finance and General Purposes Committee; and
 - {c) Audit Committee (non-executives)
- (2) The functions of the Technical and Oversight Committee shall be:
 - (a) to receive regular reports from the Inspection and Monitoring Directorate on breaches observed,
 - (b) to review sanctions to be meted out to any professional accountant, professional or public interest entity,
 - (c) to review such reports and make appropriate recommendations to the Board,
 - (d) to receive and deliberate on all appeals against sanctions and make recommendations to the Board,
 - (c) to receive regular reports from each Standard Setting Directorate, and
 - (e) to consider such reports and make recommendations to the Governing Board on,
 - (i) new issues to be addressed by the standard setting Directorates,

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- (ii) convergence of local and international standard and other related matters,
 - (3) The functions of the Finance and General Purposes Committee shall be:
 - (a) to make recommendations on the Management of the Council's finance, appraise financial implications of proposed activities, consider the annual budgets and accounts, and make recommendations on variations in level of all fees chargeable by the council;
 - (b) to review the Executive Secretary's and Management's regular reports on performance against budget for a financial year;
 - (c) to be responsible for the Council's staff establishment, salaries and conditions of service, staff training and development and approval of staff terminal benefits,
 - (d) to make recommendations to the Council on the following matters:
 - (i) relationship with other bodies;
 - (ii) administration of the Council such as its organisation and determining the requisite tools and material resources;
 - (iii) income and expenditure policies;
 - (iv) review of the Audited financial statements of the Council and the management letter thereon; and
 - (v) the administration of fines and other fees.
 - (4) The functions of the Audit Committee shall be:
 - (i) to oversee the systems of internal controls regarding finance, accounting, and legal compliance;
 - (ii) to fix the fees of external auditors of the Council;
 - (iii) review Council's financial statements and other financial information; and
 - (iv) review Council compliance with other regulatory requirements.
 - (5) Membership of a Standing Committee shall be seven persons who are experts in the relevant fields. The Committee shall elect one of them to be the Chairman of the Committee
 - (6) Standing Committees shall hold meetings at least once a month and the quorum shall be three.
 - (7) In the absence of the Chairman, members of the committee shall elect one of themselves to act as Chairman for the meeting.
 - (8) Without prejudice to other provisions of this Act, the Board may appoint such other standing or *Ad-hoc* Committees as it deems fit to consider and report on any matter with which the Board is concerned.
 - (9) A committee appointed under subsection (8) of this Section shall:

- (b) be presided over by a member of the Board; and
- (c) a decision of a committee established under this Section shall be of no effect until it is confirmed by the Board {Hon. Gbenga Onigbogi}.

Amendment Proposed:

In subclause (1), immediately after the words "Standing Committees" *insert* the words "and any other Committees the Board may deem necessary" {Hon. C I. D. Maduabuni}.

Question that the amendment be wade, put and agreed to.

Question that Clause 3 5 as amended, stand part of the Bill, put and agreed to.

Committee Recommendation:**Clause 16: Affixing of Seal.**

- (1) The fixing of the seal of the Board shall be authenticated by the signature of the Chairman and any other person generally or specifically authorized by the Governing Board to act for that purpose and that of the Executive Secretary.
- (2) Any contract or instrument which, if made by a person not being a body corporate, would not be required to be under seal may be made or executed on behalf of the Governing Board by the Executive Secretary or by any other person generally or specifically authorized by the Board to act for that purpose.
- (3) Any document purporting to be a contract instrument or other document duly signed or sealed on behalf of the Board shall be received in evidence and shall, unless the contrary is proved, be presumed without further proof to have been signed or sealed {Hon. Gbenga Onigbogi} — Agreed to.

Question that Clause 16 stand part of the Bill, put and agreed to.

Committee Recommendation:**Clause 17: Validity of Proceedings.**

The validity of any proceeding of the Board or any of its Committees shall not be affected by -

- {a} any vacancy in the membership of the Board or Committee;
- (b) any defect in the appointment of a member of the Board or Committee; or
- (c) the fact that any person not entitled to do so, took part in the proceedings of the Governing Board or Committee (Hon. Gbenga Onigbogi) — Agreed to.

Question that Clause 17 stand part of the Bill, put and agreed to.

Committee Recommendation:**Clause 18: Disclosure of personal interest**

A member of the Board or any Committee who has a personal interest in any contract or arrangement entered into or proposed to be considered by the Board or the Committee shall forthwith disclose his interest to the Board or the Committee in writing and shall excuse himself from the deliberations and the vote relating to the contract or arrangement (Hon. Gbenga Onigbogi) — Agreed to.

Question that Clause 18 stand part of the Bill, put and agreed to.

Committee Recommendation:**Clause 19: Indemnity of Governing Board Members.**

Every member of the Governing Board shall be indemnified by the Council for any act or omission done or made in good faith while engaged in the business of the Council (Hon.

PART II — STAFF OF THE COUNCIL

Committee Recommendation:

Clause 20: **Executive Secretary and other staff of the Council.**

- (1) There shall be for the Council an Executive Secretary who shall:
- (a) be appointed by the President;
 - (b) be the Chief Executive and Chief Accounting Officer of the Council;
 - (c) be a professional accountant and has been so qualified for not less than ten years;
 - (d) be responsible for the execution of policy and the day-to-day administration of the affairs of the Council; and
 - (e) perform such other duties relating to the mandate of the Council as the Board or the Chairman may, from time to time, assign to him.
- (2) The Executive Secretary shall hold office:
- {a} for a term of 5 years in the first instance and may be re-appointed for a further term of 3 years and no more; and
 - {b} on such terms and conditions as may be specified in his letter of appointment.
- (3) The Board shall appoint for the Council such other staff as it may deem necessary and expedient from time-to-time for the proper and efficient performance of the functions of the Council.
- (4) The terms and conditions of service including remuneration, allowances, benefits and pensions of the staff and employees of the Council shall be determined by the Board (*Hon. Gbenga Onigbogi*).

Amendment Proposed:

Leave out all the words in subclause (2) {a} and *insert* the following instead thereof:

"for a term of 4 years in the first instance and may be reappointed for a further term of 4 years and no more; and" {*Hon. C. I. D. Maduabum*}.

Question that the amendment be made, put and agreed to.

Question that Clause 20 as amended, stand part of the BUI, put and agreed to.

Committee Recommendation:

Clause 21: **Pensions.**

- (1) The service in the Council shall be approved service for the purpose of the Pensions Reform Act, 2004 and accordingly, employees of the Board shall be entitled to pensions, gratuities and other retirement benefits as are prescribed under the Pensions Reform Act, 2004.
- (2) Without prejudice to the provisions of subsection (1) of this Section, nothing in this Act shall prevent the appointment of a person to any office on terms and conditions, which preclude the grant of a pension, gratuity or other retirement benefits in respect of that office.
- (3) For the purpose of the application of the Pensions Reform Act, 2004, any power exercisable by a Minister or other authority of the Federal Government, other than the power to make regulations, under section 73 thereof, is hereby vested in and shall be exercisable by the Council and not by any other person or authority {*Hon. Gbenga Onigbogi*}.

Amendment Proposed:

Leave out all the words in subclause (2) {lion, ha Huang}.

Question that the amendment be made, put and agreed to.

Question that Clause 21 as amended, stand part of the Bill, put and agreed to.

Committee Recommendation:**Clause 22: Staff Regulations.**

Subject to the provisions of this Act, the Board may make staff regulations relating generally to the conditions of service of the staff and without prejudice to the generality of the foregoing, such regulations may provide for:

- (a) the appointment, promotion, dismissal and disciplinary control of staff or employees of the Council; and
- (b) appeals by staff or employees against dismissal or other disciplinary measures which shall be in accordance with staff regulations as made by the Council and until such regulations are made, any instrument relating to conditions of service in the Public Service of the Federal Government shall be applicable, with such modifications as may be necessary, to the employees of the Council (*Hon. Gbenga Onigbogi*) — Agreed to.

Question that Clause 22 stand part of the Bill, put and agreed to.

PART 111 — DIRECTORATES

Committee Recommendation:**Clause 23: Establishment of Directorates.**

The Council shall, for the purpose of this Act, establish the following Directorates:

- (a) Directorate of Accounting Standards — Private Sector;
- (b) Directorate of Accounting Standards — Public Sector;
- (c) Directorate of Auditing Practices Standards;
- (d) Directorate of Actuarial Standards;
- (e) Directorate of Inspections and Monitoring;
- (f) Directorate of Valuation Standard; and
- (g) Directorate of Corporate Governance (*Hon. Gbenga Onigbogi*).

Amendment Proposed:

In line 1, immediately after the word "Directorates" insert the words "and any other Directorates the Council may deem necessary" (*Hon. Andrew Uchendu*).

Question that the amendment be made, put and agreed to.

Question that Clause 23 as amended, stand part of the Bill, put and agreed to.

Committee Recommendation:**Clause 24: Directorates of Accounting Standards — Private Sector.**

The Directorate of Accounting Standards — Private Sector shall for the Council:

- (a) develop accounting and financial reporting standards to be observed in the preparation of financial statements in the private sector and small and medium scale enterprises;
- (b) promote the general acceptance and adoption of such standards by preparers and users of financial statements;

- (c) promote compliance with the accounting standards developed or reviewed by the Directorate;
- (d) review from time to time the accounting standards developed in line with the prevalent social, economic and political environment;
- (e) promote compliance with the accounting and financial reporting standards adopted by the Council;
- (f) promote, in the public interest, accounting and financial reporting standards to be observed in the preparation of financial statements of public interest entities;
- (g) perform such other duties which in the opinion of the Board are necessary or expedient to ensure the efficient performance of the functions of the Council (*Hon. Gbenga Onigbogi*) — *Agreed to*.

Question that Clause 24 stand part of the Bill, put and agreed to.

Committee Recommendation:

Clause 25: Directorates of Accounting Standards Private Sector.

Directorate of Accounting Standards — Public Sector shall for the Council:

- (a) develop accounting and financial reporting standards for the public sector;
- (b) keep standards current to reflect changes in the government environment;
- (c) provide guidance on implementation of standards;
- (d) consider significant areas of accounting and financial reporting that can be improved through the standard-setting process;
- (e) promote the general acceptance and adoption of such standards by preparers and users of financial statements in the public sector;
- (f) promote compliance with the accounting standards developed or reviewed by the Directorate;
- (g) review from time to time the accounting standards developed in line with the prevalent social, economic and political environment; and
- (h) perform such other duties which in the opinion of the Board are necessary or expedient to ensure the efficient performance of the functions of the Council (*Hon. Gbenga Onigbogi*) — *Agreed to*.

Question that Clause 25 stand part of the Bill, put and agreed to.

Committee Recommendation:

Clause 26: Directorate of Auditing Practices Standards.

Directorate of Auditing Practices Standards shall, for the Council:

- (a) develop or liaise with relevant professional body on auditing and ethical standards set by it. *For* the above purpose, the Council may enter into a Memorandum of Understanding in line with second Schedule with the relevant professional body;
- (b) promote Auditing Standards which set out the basic principles and essential procedures with which external auditors in Nigeria are required to comply;
- (c) issue guidance on the application of Auditing Standards in particular circumstances and industries and timely guidance on new and emerging issues;
- (d) establish Standards and related guidance for accountants providing assurance services;

- (e) encourage establishment of Ethical Standards in relation to the independence, objectivity and integrity of external auditors and those providing assurance services;
- (f) play appropriate role in the development of regulations and accounting standards which affect the conduct of auditing and assurance services, both domestically and internationally;
- (g) collaborate with relevant professional bodies to advance public understanding of the roles and responsibilities of external auditors and the providers of assurance services including the sponsorship of research; and
- (h) perform such other duties which in the opinion of the Board are necessary or expedient to ensure the efficient performance of external auditors {*Hon. Gbcnga Onigbogi*} — *Agreed to.*

Question that Clause 26 stand part of the BUI, put and agreed to.

Committee Recommendation:

Clause 27: Directorate of Actuarial Standards.

Directorate of Actuarial Standards shall, for the Council:

- (a) develop an appropriate conceptual framework to guide the setting of relevant actuarial standards, including the explicit objectives and characteristics of such standards;
- (b) create a process for the development and adoption of standards which ensures that the objectives of the conceptual framework can be applied in practice;
- (c) develop relevant actuarial standards, or amend existing ones, in response to evolving commercial practices, economic developments and deficiencies identified in current practice;
- (d) take account, where appropriate, of the regulatory requirements of the legislation or any other relevant regulatory body. Liaise with the actuarial profession regarding areas of practice for which new standards may be required or existing standards should be modified or clarified;
- (e) consider the need for a generic standard for the communication of actuarial advice;
- (f) liaise with the International Actuarial Association and other international bodies on the development and application of international actuarial standards; and
- (g) perform such other duties which in the opinion of the Board are necessary or expedient to ensure the efficient performance of the functions of the Council (*Hon. Gbenga Onigbogi*) — *Agreed to.*

Question that Clause 27 stand part of the Bill, put and agreed to.

Committee Recommendation:

Clause 28: Directorate of Inspection & Monitoring.

(1) Directorate of Inspection and Monitoring shall, for the Council:

- (a) monitor compliance with auditing, accounting, actuarial and valuation standards and guidelines reviewed and adopted by the Council;
- (b) recommend through the Technical and Oversight Committee, sanctions as may be necessary for the Council's approval;
- (c) implement sanctions and fines as approved by the Council in subsection (1) (b) of this Section; and

- (d) perform such other functions as the Governing Board may assign to it.
- (2) The Council shall appoint such number of Inspectors as it may deem fit under the circumstances.
- (3) In exercise of its powers under subsection (1) (a) of this Section, the Council may appoint consultants.
- (4) Any inspector appointed under subsection (3) of this Section shall have powers to
 - (a) make such examinations and inquiry as may be necessary to ascertain whether or not the provisions of this Act or any rule or regulation made pursuant thereto are complied with; and
 - (b) by notice in writing require any person to furnish in such forms as may be directed any information on such matters as may be specified in the notice and such person shall comply (*Hon. Gbenga Onigbogi*) — *Agreed to.*

Question that Clause!?, stand part of the BUI, put and agreed to.

Committee Recommendation:

Clause 29: Directorate of valuation Standards.

Directorate of Valuation Standards shall, for the Council:

- (a) develop an appropriate conceptual framework to guide the selling of relevant valuation standards, including the explicit objectives and characteristics of such standards;
- (b) create a process for the development and adoption of standards which ensures that the objectives of the conceptual framework can be applied in practice;
- (c) develop relevant valuation standards, or amend existing ones, in response to evolving commercial practices, economic developments and deficiencies identified in current practice;
- (d) take account, where appropriate, of the regulatory requirements of the legislation and any other relevant regulatory body. Liaise with the valuation profession regarding areas of practice for which new standards may be required or existing standards should be modified or clarified;
- (e) .consider the need for a generic standard for the communication of valuation advice;
- (f) liaise with the International Valuation Standards Board and other international bodies on the development and application of international valuation standards; and
- (g) perform such other duties which in the opinion of the Board are necessary or expedient to ensure the efficient performance of the functions of the Council (*Hon. Gbenga Onigbogi*) — *Agreed to.*

Question that Clause 29 stand part of the Bill, put and agreed to.

Committee Recommendation:

Clause 30: Rules and Codes of Practice.

- (1) The Council shall make and issue any such rules or ethical codes of practice to establish its procedures and policies for the purpose of monitoring registered auditors and other professionals rendering services to public interest entities.

Onigbogi) — Agreed to.

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Question that Clause 30 stand part of the Bill, put and agreed to.

Committee Recommendation:

Clause 31: Code of Ethics.

The Council shall adopt a Code of Ethics to establish the rules and standards of conduct to be observed by every member of the Governing Board, Directorates, Committees, employees or consultants to the Council, in the discharge of their functions and duties {Hon. Ghenga Onigbogi) — Agreed to.

Question that Clause 31 stand part of the Bill, put and agreed to.

Committee Recommendation:

Clause 32: Memorandum of Understanding and Cooperation Mechanism.

The Council may enter into a Memorandum of Understanding with such professional or regulatory bodies as it considers appropriate in order to exchange or share information for the purpose of discharging its functions under this Act {Hon. Gbenga Onigbogi) — Agreed to.

Question that Clause 32 stand part of the Bill, put and agreed to.

Question put and agreed to.

Chairman to report progress.

(HOUSE IN PLENARY)

Mr Deputy Speaker in the Chair, reported that the House in the Committee of Whole resumed consideration of the Bill for an Act to Repeal the Nigerian Accounting Standards Board Act, No. 22 of 2003 and Enact the Financial Reporting Council of Nigeria Act and for Related Mather, 2008 and approved Clause 2 as amended, approved Clauses 3 - 14, approved Clause 15 as amended, approved Clauses 16 - 19, approved Clauses 20 and 21 as amended, approved Clause 22, amended Clause 23, approved Clauses 24 - 32 and deferred further consideration of the Bill till the next Legislative Day.

11. Adjournment:

That this House do now adjourn till Wednesday, 9 July, 2008 at 2.00 p.m. {Hon. Tunde Akogun).

Adjourned accordingly at 1.33 p.m.

Dimeji Sabur Bankole
Speaker