



"Ensuring Investor Protection"

SECURITIES AND EXCHANGE COMMISSION



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NOTICE TO COMPANIES SUBJECT TO THE SECURITIES INDUSTRY ACT AND THEIR AUDITORS

The Securities and Exchange Commission (the Commission) wishes to draw the attention of auditors of listed companies and companies licensed by the Commission to its Circular Number SEC/CIR/002/2015 issued on 13th February 2015 and captioned "*Notice to Auditors on Signing of Audit Reports on Financial Statement of Listed Companies and Companies Licensed by the Securities and Exchange Commission*".

In the said Circular, the Commission required an audit report issued by an audit firm on the financial statements of a listed company and a company licensed by the Commission to be signed in the personal name of the Partner in charge of the audit on behalf of the firm. The International Standards on Auditing (ISA) 700 recognises this way of signing auditor's report and it serves the interest of shareholders and other investors better.

Following the issue of the said Circular, the Institute of Chartered Accountants, Ghana (ICAG) instituted a Suit at the High Court against the Commission per Suit Number HRCM/246/15. The ICAG in the Suit challenged the authority or power of the Commission to issue the Circular, and among other things sought an order of the Court to compel the Commission to accept all audit reports not signed in compliance with the said Circular and an order of Certiorari to quash the directive given by the Commission in the said Circular.

As a result of the action instituted by the ICAG against the Commission on the Circular, the Commission had to delay the enforcement of the directive contained in the Circular.

The Commission wishes to inform all who are affected by its Circular Number SEC/CIR/002/2015 that the High Court on the 11th day of January 2016 dismissed the application of the ICAG in Suit Number HRCM/246/15 on the subject matter of the said Circular.

The Commission hereby reiterates its directive in its Circular Number SEC/CIR/002/2015 requiring all audit reports issued by audit firms on financial statements of listed companies and companies licensed by the Commission to be signed in the personal name of the Partner in charge of the audit on behalf of the firm.

Consequently, the Commission will henceforth not accept any financial statement with an auditor's report issued by an audit firm **not** signed in the name of the partner in charge of the audit on behalf of the audit firm.

All listed companies and companies licensed by the Commission must note that any Annual Report with an audit report not signed in the manner prescribed in Circular Number SEC/CIR/002/2015 shall not be accepted by the Commission and appropriate sanctions will be applied for non-submission of such reports under Regulations 35 and 62 of the Securities and Exchange Commission Regulations, 2003 (L.I. 1728).

Circular Number SEC/CIR/002/2015 is available on the website of the Commission, www.sec.gov.gh

SIGNED
DR. ADU A. ANTWI
DIRECTOR-GENERAL

DATED: FEBRUARY 4, 2016