

AN ADDRESS

by

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President

The Institute of Chartered Accountants of Nigeria

During the

2015 FG Budget Symposium

Held at the

Shell Hall, MUSON Centre

Onikan, Lagos

On

Thursday, August 13, 2015

The Royal Father of the Day,

His Highness, Muhammad Sanusi II, CON, Sarkin Kano

The Special Guests of Honour,

Your Excellency, Mallam Nasir el-Rufai, OFR,

Executive Governor of Kaduna State

Your Excellency, Mr. Akinwunmi Ambode, FCA,

**Executive Governor of Lagos State ably represented by
his deputy, Her Excellency, Dr. (Mrs.) Oluranti Adebule**

The Vice-President, ICAN, Deacon Titus Soetan, FCA

Our Revered Past Presidents

**The 1st DVP and Chairman, Technical, Research & Public
Policy Committee, Mallam Isma'ila M. Zakari, mni, BSc, FCA**

The 2ND DVP, Alh. Rasaq Jaiyeola, BSc, FCA

The Immediate Past President, Mr. Chidi Ajaegbu, MBF, FCS, FCA

Council Members here Present

Registrar/Chief Executive

Chairmen of Sessions

Erudite Resource Persons

Distinguished Participants

Members of the Press

Ladies and Gentlemen

Preamble

1. It is a great delight to welcome you all to the 2015 edition of post-Budget Symposium organised by the governing Council of our Institute to beam deserved searchlight on the sectoral provisions, fiscal and other policy thrusts of the 2015 Federal Government Budget and their implications for productive economic activities. Given the current realities and challenges confronting the nation, it is imperative that the fiscal document, aptly tagged, ***“A budget of Transition,”*** is comprehensively reappraised and its assumptions and projections realigned for better results as we prepare for the fiscal year 2016.
2. We are particularly enthused by the galaxy of distinguished personalities, eminent leaders of thought, policy makers, captains of industry and tested professionals in various fields of endeavour who have created time to grace this event. Let me specially appreciate the presence of our Royal Father, His Highness, Muhammad Sanusi II, CON, Sarkin Kano and our Special Guests of Honour, the Executive Governors of Kaduna and Lagos States, Their Excellencies Mallam Nasir el Rufai

and Mr. Akinwunmi Ambode, FCA. Thank you for this great honour which I see, not only as an endorsement of this ICAN's public interest initiative but also, as your desire to contribute to the setting of a focused, realistic and people-oriented agenda for the new government.

State of the Nation

3. Distinguished guests, ladies and gentlemen, these are trying times for Nigeria in spite of the cosmetic rebasing of its economy in 2013 which made it the biggest in Africa. With an import dependent and mono-product economy and huge debt burden (both domestic and external), the framework for local productive investment, employment and wealth creation, in my view, is seriously challenged.
4. Today, the price of crude oil is on the downslide and far below the budget benchmark price of US\$65pb, unemployment rate among the youths is soaring, the pressure on the Naira is becoming stronger by the day with many analysts calling for its devaluation, many states are in default of salary payment for many months while the daily revelation of how persons, trusted with leadership responsibilities in the immediate past, fleeced the nation of huge resources, pervade the air waves. Their

failures and betrayal of trust are today manifesting in insecurity of lives and property as the poor are hungry, angry and seeking justice, even by extreme means.

5. Rather than the Annual Appropriation Act becoming an instrument for efficient allocation of scarce resources, poor budgeting ethics and implementation processes have become the rule rather than exception.
6. The ratio of recurrent to capital expenditure at 70:30 remains scandalously disproportional. Worse still, targets were neither scientifically set nor serious consideration given to macroeconomic implications of unbridled granting of wavers. Without mincing words, the resultant parlous state of our infrastructure, unsustainable high cost of governance, huge debt burdens and current fiscal crisis, call for drastic measures to salvage the national economy. Here lies the propriety of the theme of this Symposium, "***Come Back Nigeria: The Nation's Fiscal Challenges and Way Forward for the New Administration***". Except we deliberately confront these issues, our hope of a new Nigeria will remain forlorn.

Drastic Reforms, an imperative

7. As a professional body, we strongly believe that the nation's economy needs surgical and drastic reforms beyond cosmetic privatisation of government companies. And this should begin with plugging of all revenue leakages, revisiting and redefining our priorities as a nation, slashing of cost of governance (e.g., by reducing Ministries, Departments and Agencies), investing more in capital goods, enforcing fiscal discipline and above all, leveraging our huge natural and human resource endowments to reposition the nation on the path to sustained growth and development.
8. To make progress as a nation, we must move away from paying lip service to diversification of the economy to real action. Indeed, diversification of the economy should no longer be a dream but an urgent imperative.
9. In this respect, a strategic roadmap must be defined for the total removal of subsidy from petroleum products which currently benefits rent seekers rather than the masses for whom it is intended. This roadmap should entail the setting of a timeframe for the completion of turnaround maintenance of the existing three refineries and their resumption to full capacity. If

we get our acts right, all things should fall in place and Nigeria will become great again.

Conclusion

10. We therefore charge the current leadership to press forward with its crusade to sanitise the nation and set a new tone for governance. As a professional body, we are determined to support the government with our technical and professional expertise as it seeks to chart a new and proper direction for the nation. This Symposium is part of the strategies to bring to the fore issues that should drive the new agenda of the nation.

11. I therefore commend the erudite resource persons selected to raise issues for discussions today for agreeing to partner with ICAN on this noble course. I trust that participants will find your contributions useful and stimulating.

12. It is now my singular honour and privilege to declare this Symposium open. Thank you for listening and God bless you all.

Otunba Samuel Olufemi Deru, JP, FNIM, FCA

President

Lagos. August 13, 2015