



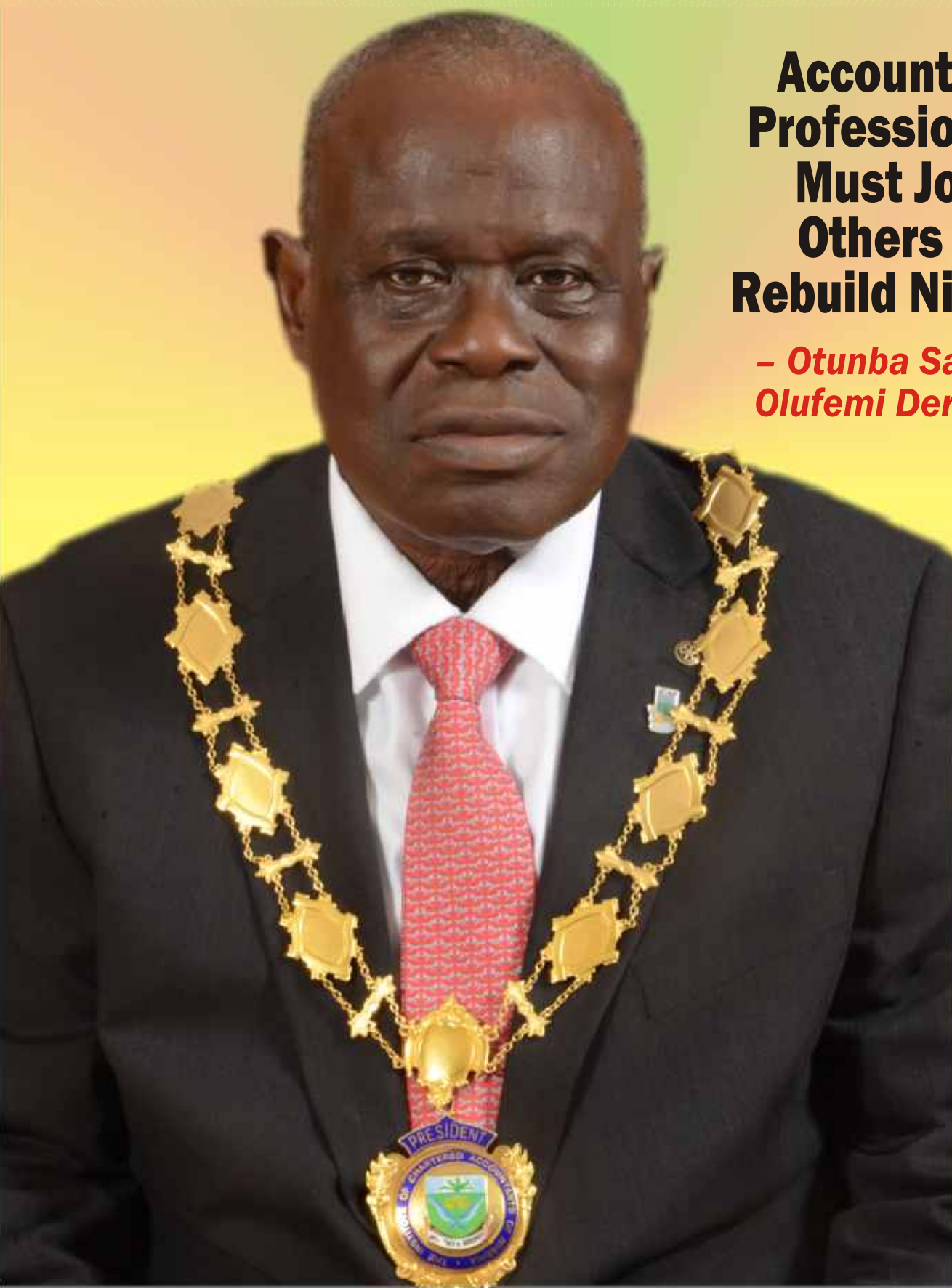
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Accounting Professionals Must Join Others to Rebuild Nigeria

***– Otunba Samuel
Olufemi Deru, FCA***



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Editor's Note

The Institute on Tuesday June 2, 2015 elected its 51st President, Otunba Samuel Olufemi Deru J.P, FNIM, FCA and other officers to pilot its affairs for 2015/2016.

During his investiture, Otunba Deru in his inaugural speech vehemently made a point clear as he said "I reverently dedicate this honour to the future generation of chartered accountants whom we owe a duty to bequeath legacies of cohesion, integrity and a banner without stain".

When he emphasised this point, he was actually referring to the present crop of students writing ICAN examinations, as future chartered accountants. He also promised that he will strive within the Presidential year to ensure that more ICAN students pass their examinations, by providing them with all necessary assistance and logistics to achieve this.

The prolific and quintessential administrator also urged the government to step up its stance on corruption eradication to revamp the ailing economy of the country. He expressed belief that government should diversify the economy so as to insulate it from the dynamic shocks occasioned by the fall in global oil prices.

Also, in this edition, our lead article entitled *E-learning and emerging issues* highlights issues associated with e-learning especially its ability to improve on the learning processes. The article majorly emphasised key components of e-learning to enhance success.

To assist our students, we publish some past questions and solutions as usual. This would guide candidates in future examinations on what the examiner requires. The detailed reports of all these and other regular news items are served you in this edition.

Your comments and contributions are welcome.

Please contact the Editor via:
corporateaffairs@ican.org.ng
 or aoowolabi@ican.org.ng

New President, Other Officers Emerge

The Institute of Chartered Accountants of Nigeria (ICAN) has elected new officers to run its affairs for the next one year. Otunba Olufemi Deru, FCA emerged as the 51st President. His investiture took place after an election on June 2nd, 2015 at the Institute's Secretariat in Victoria Island, Lagos.

Also elected are: Deacon Titus Soetan, FCA as Vice President; while Alhaji Isma'ila Muhammadu Zakari mni, BSc, FCA and Alhaji Razak Jaiyeola, BSc, FCA were elected 1st and 2nd Deputy Vice Presidents respectively. Mr. Tayo Phillips MBA FCA became the Institute's Honorary Treasurer.

Otunba Olufemi Deru, FNIM, JP, FCA. 51ST ICAN PRESIDENT

The President, Otunba Olufemi Deru, is a fellow of the Institute (FCA) and a Fellow of Chartered Certified Accountants of United Kingdom (FCCA); an Associate member of the Institute of Secretaries and Administrators (ACIS); Fellow of Nigerian Institute of Management (FNIM) and Justice of Peace (JP) of Ogun State, Nigeria.

Femi Deru worked in various capacities in the United Kingdom - as a Chief Tax Officer in Her Majesty's Tax Office in Grosvenor District, Central London and Barnet District in Hertfordshire, UK. He also worked as the Group Management Accountant of Berec Group in London.

He joined Berec Nigeria Plc in 1972, where he worked as Chief Accountant and Company Secretary; Finance Director; Deputy Managing Director; Acting Managing Director and later Chairman from 1972 to 1998.

He was a Senior Associate Consultant with Omolayole and Associates, a leading management consultant outfit in Lagos. He is also the Managing Consultant of Femi Deru & Associates. He served as Coordinator and Secretary to Council of Nigerian Institute of Management 1995-1996. He was a Council member of the Lagos Chamber of Commerce and Industry since 1982; Chairman, Industrial Group 1995 to 1998; Honourary Treasurer 1999 to 2002; Vice President from 2003; Chairman, Tenders Board 2003 to 2005 and Chairman, Trade

Promotion Board, (the organisers of the Lagos International Trade Fair) on behalf of the Lagos Chamber of Commerce and Industry.

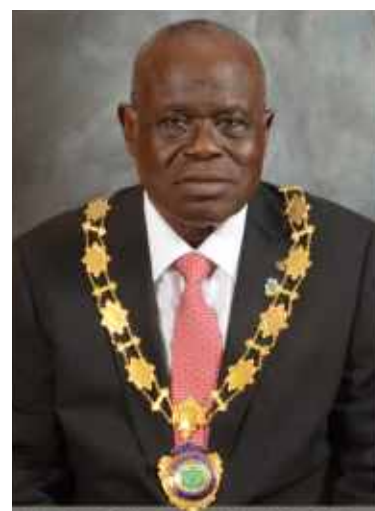
Otunba Femi Deru became the President of the Lagos chamber from 2009 to 2011 and was elected a member of Council of the Federation of World Chambers of Commerce from 2011 to 2013.

His services to the Nigerian Association of Chambers of Commerce, Industry, Mines and Agriculture (NACCIMA) included- Member, Import Licence Committee of Federal Government of Nigeria in 1983; Member of the National Industrial Development and Strategic Planning committee, 1989/1990; Representative on UNCTAD/WTO Regional in Casablanca, Morocco, 2004; Deputy President of NACCIMA in 2010.

As a man of many parts, he also served as Chairman, Chemical Sectoral Group of Manufacturers Association of Nigeria (MAN) and Raw Materials Council 1986.

He was the Chairman, Dry Cell Battery Manufacturers of Nigeria and a member of Governing Council of Nigerian Council of Management Development (2005-2008). He served as coordinator and Secretary to Council of Nigeria Institute of Management from 1995-1996.

Otunba Deru served as the Administrator (Chief Executive) of the Institute of Chartered Accountants of



Nigeria in 1994 and was elected Council member in 2002; Chairman of Annual Accountant's Conference from 2003 to 2005 and Honorary Treasurer in 2009. He was 2nd Deputy Vice President 2012/2013 and 1st Deputy Vice President 2013/2014.

He is a Rotarian and served as District Treasurer, Rotary International District 9110 (Ogun and Lagos States) in 1989/90 and was President of Rotary Club of Ikeja 1996 to 1997.

He served on the Board of Private and Public Companies, some of which are Centre for Management Development (CMD), Eternal Oil Plc, AVOWA Holdings and VITAPUR Nigeria Limited, a subsidiary of Vitafoam Plc.

He represented the Organised Private Sector at various seminars, courses, fora and conferences, in Nigeria and overseas where he made very valuable contributions. He is on the board of private and public companies. Otunba Olufemi Deru bagged many awards and recognitions.

Deacon Titus Alao Soetan, VICE PRESIDENT

The Vice President, Deacon Titus Alao Soetan, is a Fellow of the Institute and the Senior Partner, Baker Tilly-Nigeria (Chartered Accountants).

He commenced his professional career as Accounts Clerk at W.N Housing Corporation (1972 to 1973). He was the Accountant, Nigerian Television Authority (1978 – 1979). He was Audit Senior Manager at Z.O. Ososanya & Co (1979 – 1985) and became Partner, Z.O. Ososanya & Co (1985 – 1998). He was Partner and co-founder of Oyelami Soetan Adeleke & Co (1998 to 2005) and Senior Partner in the same firm (2005-2008) before moving to Baker Tilly.

He attended Premier Grammar School, Abeokuta (1967 – 1971), where he obtained WASC (Division One). He also attended The Polytechnic Ibadan (1973 – 1975) and made a distinction in OND Accountancy. He was also at the City of Birmingham Polytechnic, U.K. (1976 – 1977) where he qualified as ACCA.

Soetan has been a Council member of ICAN since 2004 and has served on various committees and sub committees either as member or Chairman.

He is a versatile paper presenter and resource person at various levels of the Institute. He was member, Governing



Council of Nigerian Accounting Standards Board (NASB); member, Budget Committee, Nigerian Baptist Convention (2000 - 2009); and Chairman, Nigerian Baptist Bookstore Limited (2001-2009).

Alhaji Isma'ila Muhammadu Zakari, 1ST DEPUTY VICE PRESIDENT

The 1st Deputy Vice President, Alhaji Isma'ila Muhammadu Zakari is a Fellow of the Institute and a member of the ICAN Governing Council since 2004. He has served on many ICAN Committees. He is currently Chairman, Professional Examinations Committee and also Deputy Chairman, Insolvency and Corporate Re-engineering Faculty. He is also a Fellow of the Business Recovery and Insolvency Practitioners Association of Nigeria (BRIPAN) where he also serves as Council Member.

He is a member of the National Institute, (mni) having successfully attended Senior Executive Course No. 33, 2011 at the National Institute for Policy and Strategic Studies (NIPSS) KuruJos.

He is currently the Managing Partner of Ahmed Zakari & Co. (Chartered Accountants), a firm he co-founded in partnership with other professional colleagues in 1998 providing Auditing & Assurance, Tax Advisory, Insolvency and Business Consulting and Business Valuation services to a wide range of clients in Nigeria. As Managing Partner, he is responsible for providing leadership and strategic direction to a resourceful team of multi-disciplinary professionals providing high quality client service engagements creating value for numerous clients in the private and public sectors.

He has attended numerous training courses and is a regular speaker in the fields of Accounting, Auditing,



Taxation, Corporate Finance, Insolvency, Leadership and Practice Management.

He is actively involved in serving the public interest and the development of his community. He serves on the Board of Trustees of Jigawa Forum in his home State – Jigawa State, Nigeria.

Alhaji Razak Adeleke Jaiyeola, 2ND DEPUTY VICE PRESIDENT

The 2nd Deputy Vice President, Alhaji Razak Adeleke Jaiyeola, is a Fellow of the Institute of Chartered Accountants of Nigeria, and Chief Consultant of A.J.Silicon.

He holds a Bachelor of Science Degree in Chemistry from University of Ife (Now Obafemi Awolowo University) in 1974. He enrolled and passed all the successive stages of the Institute of

Chartered Accountants of Nigeria examinations in a record time. During his professional examinations, he won a prize in AUDITING at intermediate level and FIRST MERIT POSITION prize

at the final level in 1980 when he qualified.

Alhaji Jaiyeola is very passionate about information technology. He is a member of Information Systems Audit and Control Association (ISACA), Institute of Software Practitioners of Nigeria (ISPON), Association of Certified Fraud Examiners (ACFE) and Certified in Risk and Information Systems Control.

He started his accounting career in 1977 at Coopers and Lybrand, an international accounting firm (Now PriceWaterHouseCoopers). To date, he has a total of 38 years' experience spanning all areas of Accounting, Financial Information Technology Consulting, Information Systems Auditing, IFRS/IPSAS Training, Consulting and Implementations, Taxation, Secretarial, Insolvency and Management Practice.

He worked at A.C. Christlieb Group, Ayor Group consisting of Nigeria Distilleries, Sphinx, Philbit, Bems etc and Olusola Adekanola & Co before becoming Chief Executive of Consolidated Management Consultants: during which he was the Project Director for Computerized Financial Consulting for Ogun and Niger States Water Agencies under the National Water Rehabilitation Projects funded by the World Bank.

As the Chief Executive of A. J. Silicon, he has handled several Consulting assignments including, design of Financial Management System under the Nigerian Community Development project funded by the World Bank, design of the Accounting System and financial procedures manual for Universal Basic Education project in Nigeria, Computerization of Accounting, Human Resources and Audit of West African Examinations Council as well as world bank funded financial and economic assessment of all irrigation projects in Nigeria under the River Basin Development Authorities among others.

He was a Co-Development and Implementation Consultant for ICAN Technology Competence Initiative (TCI) which was a practical IT training precondition for induction of ICAN qualified students' into the profession. An undisputed leader in the training of Certified Information Systems Auditor (CISA) in Nigeria as well as foremost trainer in Full IFRS, IFRS for SMEs and IPSAS. He also offers IFRS Consulting and Implementation. He has delivered many highly researched and topical papers at different fora including Accountants conference, faculty programs, district societies, regional conferences and ICAN MCPE programs among others.



He has also served in several committees, subcommittees and adhoc committees of the Institute as Chairman, Deputy Chairman and member such as IT Committee, Students' Affairs committee, Publication and image committee, Professional exams. He is a pillar of Consulting & IT faculty where he has served as the Vice Chairman since inception. He was Council Coordinator of various district societies such as PortHarcourt, Osun, Ondo, Akure, Ekiti, Benin etc.

Alhaji Jaiyeola is happily married with four of his five children being qualified accountants: two of whom are fellows of the Institute. Three of the children are also Certified Information Systems Auditors(CISA) with several IT certifications.

Mr. Tayo Phillips, HONORARY TREASURER

The Honorary Treasurer, Mr. Tayo Phillips is an alumnus of the University of Lagos where he holds a Masters degree in Business Administration. He is a seasoned Chartered Accountant since 1986 and a Fellow of the Institute of Chartered Accountants of Nigeria. He has been a member of the Governing council of the same Institute since 2005.

He is a Certified Forensic Accountant

and Certified IFRS practitioner. He was an examiner of the professional examination of ICAN for over 20 years. His over 30 years professional carrier cuts across diverse sectors of the economy including professional accounting practice, multinational corporations and consulting. He was an Audit Manager with UTC Plc and Rank Xerox, he was Chief Accountant, Finance controller, Executive Director Finance and Administration and ultimately the Managing Director of



the world's reprographic giant.

He attended and participated in several training executive development programs in and outside Nigeria. He became the pioneer Managing Director of Systems Derivatives Limited, an IT based company before assuming the role of Managing Consultant with TP Consulting, a multidisciplinary firm of Consultants.

His service to the Institute include among others, Chairman, Annual

Accountants' Conference for a record three years that witnessed unprecedented innovations to the program. Chairman, Accounting Technician Scheme for West Africa (ATSWA) and Chairman Harmonization and Implementation committee that introduced ATSWA examination to Sierra Leone and Liberia.

He served as a consultant / committee member on some World Bank IDF funded projects in both Nigeria and

West Africa sub region. He was the Chairman of the ICAN/ICAEW Twinning arrangement that gave birth to the new professional examination structure and syllabus.

He was appointed by the Federal Government to serve on the Governing Board of the Financial reporting Council of Nigeria. Tayo Phillips is widely travelled, plays Golf and loves reading at his leisure.

ICAN Sensitizes Students at Delta Poly, Donates Books, Laptops

Students of Delta State Polytechnic, Otefe, Oghara, have been advised to pursue the Institute's certification alongside their academic programmes.

The 50th president of the Institute Mr. Chidi Onyeukwu Ajaegbu, FCA gave this advice during his visit to the school.

He implored them to register for the Institute's Accounting Technicians Scheme for West Africa (ATSWA) examination stressing that those who do would reap huge benefits.

He noted that enrolling for ICAN exams would instill the spirit of discipline and hard work which would also help them pass their school examinations and do well later in life.

He asked the students to cut back on social engagements, especially web chats and smart phone activities as they constitute huge distractions.

Mr. Ajaegbu explained that since ICAN benchmarks itself with global best practice anyone who goes through its examination is assured of the highest rating of his/her competence.

"Enrolling for ICAN examination gives you an edge over your peers", he said,

adding that those who graduate with the Institute's professional certificate in addition to their academic qualification would be more employable than others who leave with just academic certificate.

He described accountancy as a highly rewarding profession which could bring fame, recognition and wealth to those who work hard and are honest.

Mr. Ajaegbu donated three laptops, an accounting software and books worth N100,000 to the polytechnic's accounting department on behalf of ICAN.

In her remarks the Rector of the Polytechnic Dr. (Mrs.) Clara Evborovbo Shogbaïke said she believes in accountability which is a cardinal principle of ICAN and promised to commence ATSWA programme immediately to ensure that the students are properly equipped to practice accountancy when they graduate.

She thanked the Institute for its good gesture and pledged they would be put to optimum use for the benefit of the students.



Delta State Poly Students

Accounting Professionals Must Join Others to Rebuild Nigeria

- Otunba Olufemi Deru

The 51st President of the Institute, Otunba Olufemi Deru, FCA has called on Accounting professionals to join hands with others in tackling the challenges facing the country.

Speaking during his investiture as the 51st President of ICAN held recently in Lagos, Otunba Deru noted that these are challenging times for Nigeria, when all men of good will including accounting professionals must stand up and be counted in the arduous task of rebuilding the nation.

“We must take the bull by the horn as a nation by taking those hard decisions that will positively impact the welfare of the citizens”, he said pointing out that the first place to start is the oil sector where “rent-seeking activities and sharp practices must be tackled frontally by the new administration.”

He implored the government to remove forthwith the “perceived subsidies which have been a source of huge leakage in the system”. Such corrupt and sharp practices, he stated further, must be eliminated if Nigeria were to make meaningful progress as a nation and implored the newly inaugurated government led by President Muhammadu Buhari to confront and eliminate corruption in the country, adding that the government should step on toes if need be.

“We urge the government to step on toes if that is what is required to re-direct and revamp our ailing economy for sustained prosperity. We invite the government to deliberately take aggressive steps to diversify our economy in order to insulate it from dynamic shocks associated with fluctuation in a global oil prices. The citizenry must be empowered to

The 51st ICAN President, Otunba Olufemi Deru, being decorated by the Registrar/Chief Executive of the Institute, Mr. Rotimi Omotoso (left) and the outgoing ICAN President, Mr. Chidi Ajaegbu



produce and flourish,” he declared.

He pledged the Institute's continued support and readiness to provide professional knowledge and skills in the fight against corruption, money laundering and terrorism financing as major a stakeholder in the Nigerian project.

“Indeed, as the conscience of the nation, we will be at the forefront of the crusade to curb sharp practices in the society by promoting compliance to global best practices and proactively raising the bar of accountability and transparency in governance. The cleansing process, for us will start from our profession. We will spare no rod in our earnest desire to sanitise our profession,” he assured.

Declaring the theme of the Presidential year as “Honouring the past and Securing the Future,” the ICAN President explained that Chartered Accountants must work as a team determined to make an impact. He promised that since leaving the throes of the valley requires thought leadership and statesmanship, he will provide such with the help of God.

Also elected to serve with Otunba Deru in the next one year were: Deacon Titus Alao Soetan, FCA as Vice President; Alhaji Isma'ila Muhammadu Zakari, FCA as 1st Deputy Vice President; Alhaji Razak Jaiyeola, BSc, FCA as 2nd Deputy Vice President and Mr. Tayo Phillips, FCA as the Honorary Treasurer of the Institute.



The 51st ICAN President, Otunba Olufemi Deru (middle) with members of the Governing Council of the Institute after his investiture.

ICAN Commissions ₦200M Lecture Theatre in Four Universities

As part of its corporate social responsibility to the upliftment of accounting education in Nigeria, the Institute has commissioned four Lecture Theatres for Accountancy students in four universities in the country.

Beneficiaries of the lecture theatres include Obafemi Awolowo University (OAU), Ile – Ife; University of Benin (Uniben); University of Nigeria, Enugu Campus (UNEC) and North West University, Kano. All the lecture theatres have capacity for 350 students, lecturers' offices and are fully air-conditioned. ICAN is also responsible for equipping the theatres with chairs, tables and magnetic boards.

Keys to the facilities were handed over to the four universities by the Golden Jubilee President of the Institute Mr. Chidi Onyeukwu Ajaegbu, FCA at colourful ceremonies held at the various campuses between May and June 2015. Mr. Chidi Ajaegbu, FCA said the donation of the Lecture Theatres was borne out of the Institute's desire to ensure that the standard of accounting education in Nigeria is comparable to what is obtainable worldwide in accordance with the delivery measurement standards of the International Federation of Accountants (IFAC).

He added that the donation of the theatres was an educational investment geared towards the promotion of academic excellence, learning and research in the field of accountancy.



Aghaowa Lecture Theatre, Uniben

In their various remarks, Vice Chancellors (VCs) of the benefiting Universities, thanked ICAN for the gesture.

Expressing his appreciation, the Vice Chancellor of OAU Prof Bamitale Omole said that ICAN deserved special commendation as it was able to donate the edifice notwithstanding the heat of the prevailing economic adversity in the country.

He noted that ICAN had in the past donated laptops, accounting softwares, accounting textbooks and other relevant materials to the development of the accounting department, and pointed out the relationship between the two bodies would be strengthened by the donation of the lecture theatre.

Professor Danjuma Maiwada, VC of North West University, Kano commended the Council of the Institute for the donation, adding that the gesture will assist the entire accounting

undergraduates and lecturers in bridging knowledge gaps as the lecture theatre would serve as the meeting point for knowledge sharing amongst them.

In his own remark when the theatre in his university was commissioned the VC of Uniben Professor Friday Orumwense expressed joy and gratitude to the President and Governing Council of the Institute for effectively monitoring to ensure that the project was delivered on time, pointing out that the lecture theatre would alleviate part of the infrastructural challenges of the university.

Similarly, the Deputy Vice Chancellor of University of Nigeria, Enugu Campus Professor I. P. Enemuo expressed profound gratitude to ICAN for supporting the university in its march towards excellence in service delivery to accountancy students, adding that the facility would enhance the training of accountants in UNEC.

594 AATWA Members Inducted

Five hundred and ninety four new members have been inducted into membership of the Association of Accounting Technicians of West Africa at its 42nd induction ceremony held in Lagos on June 11, 2015.

The admission of the new members was performed by the 51st President of the Institute, Otunba Olufemi Deru, FNIM, JP, FCA

Deru explained that the induction ceremony was organised to give the

new members the opportunity to understand processes of the Institute, the acceptable behaviour of Accounting Technicians and the Rules of Professional Conduct that regulate the activities of its members.

He said, "I implore you to adhere strictly to the Rules of Professional Conduct for members as they are designed to guide as well as regulate the activities and conduct of members of our Institute. Let me emphasise that

you must make the motto of the Institute, which is "Accuracy and Integrity", your guiding principle."

In his address, the Special Guest of Honour, Mr. Adedoyin Owolabi, Past President of the Institute mandated the new members to further upgrade themselves to the level of professional chartered accountants, noting that their AAT qualification only puts them to work as middle level support staff that assist chartered accountants.

ICAN Begins Work on Federal University, Birni Kebbi's Lecture Theatre

The Institute has commenced construction of a lecture theatre donated to the Accountancy Department of Federal University, Birnin Kebbi.

The facility being built in continuation of the Institute's developmental initiatives for accounting education in tertiary institutions in the country will have a 350-seater lecture hall, lecturer's offices, furniture and fittings as well as magnetic board.

The 50th President of the Institute Mr. Chidi Ajaegbu, FCA performed the foundation laying ceremony of the Lecture Theatre at the permanent site of the University

recently.

Mr. Ajaegbu, FCA explained that the construction of the lecture theatre was necessitated by the need to ensure that future chartered accountants are sufficiently armed with the professional capacity comparable with their counterparts across the globe.

He added that the new project upon completion will address the issue of lack of conducive learning environment and inadequate preparations for the Institute's examinations by students desirous of becoming chartered accountants.

In his remark on behalf of the Vice Chancellor, the Head of Department, Sociology, Dr. Tukur Muhammad –Baba expressed the appreciation of the University Senate to the contribution from a foremost professional body like ICAN to the development of Nigeria's future leaders.

He said that accountancy students of the Institution will be galvanized into ensuring that they study harder in order to pass their school examinations in addition to enrolling for and passing the Institute's professional examinations within record time.

ABU to Partner ICAN on Accounting Education

The Vice Chancellor of Ahmadu Bello University, Zaria, Professor Ibrahim Garuba has indicated the readiness of his institution to partner with the Institute of Chartered Accountants of Nigeria (ICAN) to ensure professionalism in the delivery of accounting education in the country.

He gave the assuring words in his office while receiving the Golden Jubilee President Mr. Chidi Ajaegbu, FCA and his entourage who paid him a courtesy visit recently.

Professor Garuba disclosed that the higher institution ensures that qualified members are employed in the academia in order to give its

students the best of accounting education in line with what is obtainable anywhere in the world. He seized the opportunity of the visit to call on the Governing Council of the Institute through the President to look into the possibility of citing the ICAN Lecture Theatre in the University in order to enable its students benefit from the dividend of the ongoing 50th anniversary of ICAN.

In his response, Mr. Ajaegbu thanked the Vice Chancellor on behalf of the Institute's Council and members of the Zaria and District Society for hosting of the 10th Northern Zonal Districts' Conference on the University Campus.

As regards the request for ICAN Lecture Theatre by the VC, the President asked him to forward the request to the Institute for appropriate action.

The President informed the Vice Chancellor that as part of the corporate social responsibility of the Institute, the Council awards scholarship to deserving students in ICAN accredited institutions across the country as a way of ensuring that only the best human talents are admitted and kept for the profession. He added that the Institute also awards research grants to those studying for doctorate degrees in accounting.

E-learning and Emerging Issues

By Ben Ukaegbu

1.0 Introduction

The Institute of Chartered Accountants of Nigeria (ICAN) embraced the use of E-learning to bolster its mandatory continuous professional education (MCPE) activities, it is important to explore the issues that surround such initiatives. Specifically, our review discusses answers to the following questions:

- (i) What is e-learning and how is it being used by organisations?
- (ii) Why is e-learning being used by organisations?
- (iii) What are the likely limitations of using e-learning?
- (iv) What has empirical research found regarding e-learning effectiveness, efficiency, attrition and appeal to learners?

2.0 What is e-learning and how is it being used by organisations?

E-learning may be defined as the use of computer network technology, primarily over an intranet or through the internet, to deliver information and instruction to individuals (in our case, ICAN members and students). Some companies and industry experts include knowledge management and virtual collaboration in their definition of e-learning, describing e-learning broadly to include any system that 'generates and disseminates information and is designed to improve performance' (Rosenberg, 2001: 11). While this broader definition is useful, the focus of this paper is primarily on training delivered through network technology, where training refers to planned efforts to increase job-related knowledge and skill (Noe, 2002).

Most e-learning in organisations today is asynchronous in nature. Asynchronous e-learning refers to e-learning that is 'pre-recorded' or



available to subscribers at any time of the day, potentially from any location (Rosenberg, 2001). Less common is synchronous e-learning, or e-learning that is 'live' and that requires all learners to be in front of their computers at the same time. While these kinds of training seem quite distinct from each other and from instructor-led training, the distinction between them is often blurred because many organisations use a mix of delivery options for their classes. However, for the purpose of this paper and the Institute's initiative, asynchronous e-learning is the focus.

Asynchronous e-learning applications vary in terms of sophistication. Less sophisticated asynchronous e-learning applications are often simply 'microsoft powerpoint' slides posted on a website. More sophisticated applications require learner involvement, including online learning simulations with graphics, animation, video, and audio components. An example of asynchronous e-learning is provided by Dow Chemical's 'Interviewing Training' course for employees who are going to be conducting interviews. In order to keep learners engaged, many different interactive approaches (e.g., hyperlinks and buttons) are used, so that the learner has to interact with the course. Interaction and comprehension are also encouraged by different kinds of testing, including

multiple choice and 'drag and drop'. Such systems also give feedback about whether the questions have been answered correctly. The learners can stop, save what they have done and come back later to finish. Learners can also take a post-test at any time, and, if they pass, they have completed the session.

3.0 Why are organisations using e-learning?

There are many reasons for the increasing popularity of e-learning by organisations. However, the main reasons include the following:

- (i) provide consistent, worldwide training;
- (ii) reduce delivery cycle time;
- (iii) increase learner convenience
- (iv) reduce information overload
- (v) improve tracking; and
- (vi) lower expenses.

These reasons which are also the benefits are summarised below:

E-learning appeals to organisations that have a strong need or desire to deliver consistent training across multiple locations. For example, the Institute members are at all locations in Nigeria, as such it is difficult to deliver consistent learning materials or training to maintain the high quality of delivery expected in order to meet the requirements of MCPE. It is likely that many locations will not conduct the training or that the messages will be poorly delivered or communicated. Organisations also use e-learning when they are pushed to deliver training to many people quickly. This is because e-learning classes are not constrained by instructor and classroom capacity, more people can be trained in less time.

One of the impediments of most after-work studies or continuous education

programmes are the inability of the learner to fit-in the studies into his busy schedules and the inconvenience of such compressed lifestyle. E-learning provides increased learner convenience. As long as the learners have the required technology, they have access to asynchronous e-learning at any time.

E-learning also has the potential to manage the growth in the amount of information that learners need to learn. This growth has often led to information overload during training, resulting in ineffective training when learners cannot retain all of the information presented to them. By conducting the training asynchronously, only the most important aspect will be delivered.

Monitoring and tracking are added benefits of e-learning system. The system has the ability to track learner activities and mastery of the material, (e.g., through quiz scores). An effective e-learning system has a tracking and storing devices. This is of particular importance as the Institute's initiative is used for MCPE compliance. A potential problem is how to ensure that the proper person has completed the training.

Organisations are also turning to e-learning as a cost-saving measure, particularly when they want to reduce travel and classroom costs, time-off-the-job, associated with off-site training.

4.0 What are potential drawbacks of using e-learning?

While the potential benefits of e-learning make it appealing, organisations embarking on the initiative must be aware of its potential drawbacks. Successful implementation of e-learning requires significant planning and effort. There is up-front cost in terms of considerable investment in both information technology (IT) and staff. Specific costs include development costs to design and build the actual courses as well as hardware and

software costs to allow users to access the training. Another potential drawback beyond costs is the creation of a mind-set that electronically-encoded information is training. In other words, the concern that an organisation like ICAN will become preoccupied with the capability to push information and forget that training involves more than information provision; it requires practice, feedback and guidance (Dobbs, (2002).

Beyond these potential drawbacks, it is obvious that successful implementation of e-learning requires



E-learning appeals to organisations that have a strong need or desire to deliver consistent training across multiple locations.

significant effort and planning. If sufficient attention is not given to implementation, e-learning is unlikely to be successful. The issues surrounding successful implementation include, training design, information technology infrastructure and change management. Important design issues include whether the learners can use the technology, how to ensure well designed learning events (incorporating adult learning principles) and how to ensure learner motivation. Change management issues include how to prepare users and training development staff for the change and how to gain and sustain the organisation's support of the initiative.

5.0 What Has Empirical Research Found Regarding E-Learning

5.1 Effectiveness of E-learning

In order to evaluate the effectiveness of e-learning, certain questions ought to be answered. These questions are: (i) Can adults learn from classes conducted through technology? (ii) Are classes conducted through technology equally effective for everyone? (iii) Are classes conducted through technology equally effective for all types of courses? And (iv) Are such classes better than or at least as good as classroom training?

Firstly, research suggests that people can and do learn from technology-delivered instruction. Brown (2001), for example, demonstrated that manufacturing employees taking an intranet-delivered courses improved their knowledge substantially from pre to post-test. Similarly, O'Hara (1990) found that computer-delivered simulations helped future US Maritime Officers improve their job-specific decision-making skills.

A second question with regard to effectiveness is whether e-learning is equally effective for everyone. Studies involving instructor-led training on computer skills, such as Martocchio (2005) and Gist et al (1989), suggest that lower levels of computer self-efficacy are related to lower learning outcomes. Although it is difficult to infer the generalizability of instructor-led computer skills training to e-learning that is not focussed on computer skills, these studies at least suggest that learners with low computer self-efficacy or with anxiety regarding computers, may have difficulty using the computer as a learning tool. However, because computers have become more prevalent in recent years, younger members might be expected to be more experienced and efficacious with computers and therefore more suited to e-learning.

A third question with regard to effectiveness is whether e-learning is equally effective for all types of courses. In their meta-analysis, Kulik

and Kulik (1991) found support for the idea that computer-based instruction might work better in some situations than others. They found that computer-delivery is most effective in short courses (1-4 weeks as compared to 5 or more) with less technical content (social science and reading as compared to science and mathematics). However, these findings were based primarily on studies in academic settings with technology that is now over 20 years old, so they should be interpreted with caution.

Finally on the effectiveness of e-learning, whether there is a difference between classes conducted through technology and those conducted in a classroom. Opinions are divided on this issue and is generally contingent on the nature and settings of the subject matter.

5.2 Efficiency

To what extent does e-learning use resources efficiently? To answer this question we begin a discussion of direct monetary costs and savings associated with e-learning versus classroom training, considering a number of different costs. A primary fixed cost for both e-learning and classroom training is the initial development of the course. E-learning course development costs have the potential to be considerably higher than costs for classroom training (Chapnick, 2001).

Calculations show, however, that e-learning has the potential to be less costly than classroom training once the course has been developed (Phelps et al., 1991; Whalen and Wright, 2005). While e-learning may involve some expensive variable costs (costs incurred each time the training is repeated) such as technical support, it eliminates several variable costs associated with the classroom, such as travel, lodging, meals, materials and for some courses, payments to resource personnel. Thus, research suggests that e-learning has the potential to be less expensive than

classroom training if there are a large number of learners, the learners are geographically dispersed and the course to be repeated several times. The second area of potential cost savings are indirect – those that occur because ICAN members using e-learning may require less time to learn than those who learn in a classroom.

5.3 Attrition/Completion Rates

Completion rates are often noted as potentially problematic with technology-delivered instruction and are therefore of concern to practitioners (Frankola, 2001; Moshinskie, 2002). Review suggests that in studies where there was no powerful rationale for completing a course, completion rates for technology-delivered training were lower than those for instructor-led classes. In the case of ICAN-led e-learning initiative, it is expected that there is a powerful rationale for completing the course.

5.4 E-learning Appeal

Organisations contemplating the introduction of e-learning must consider whether the members/employees will want to take computer-based classes. Findings from research indicate that as long as technical difficulties are not overwhelming participants are likely to have a positive attitude towards the introduction. However, if the technology does not work well, it has the potential to become less appealing.

6.0 Summary and Conclusions

Our review suggests that most people can learn effectively from technology-delivered courses, although comparisons between technology-delivery and the classroom should be viewed with caution. Second, available research suggests the e-learning can reduce training costs, if there are a large number of learners and they are geographically dispersed. Third, it appears that if courses are perceived as optional or have little impact on the learner, low completion rates are likely.

We discussed several reasons why organisations are developing e-learning solutions as well as the potential drawbacks of e-learning. However, for successful implementation of e-learning, an organisation must carefully consider issues of training design, IT infrastructure and change management.

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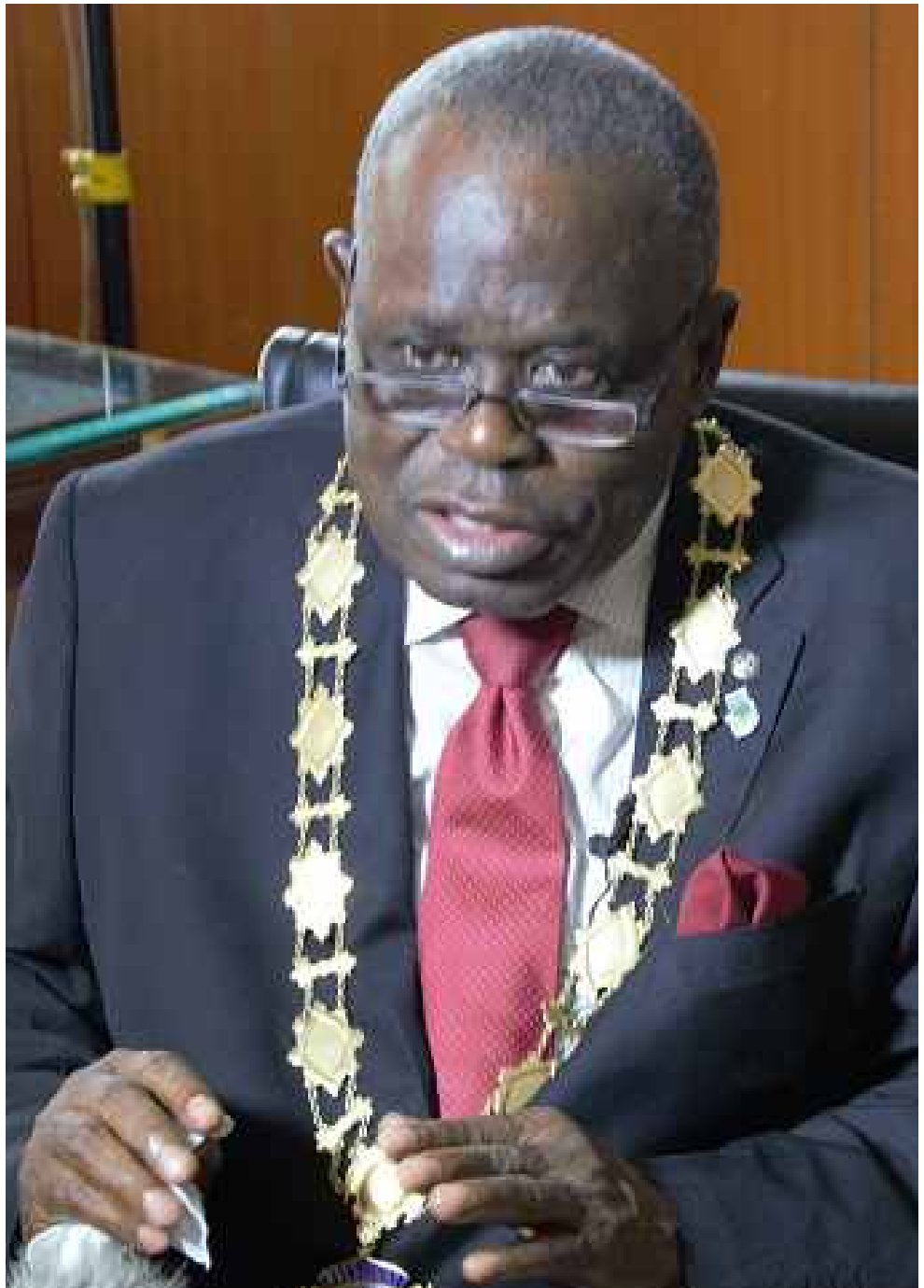
ICAN is Driven by Global Standards

– Otunba Samuel Olufemi Deru, FCA

The 51st President of the Institute, Otunba Olufemi Deru, FNIM, JP, FCA is a man of destiny who successfully rose to the highest position in two great organisations. Otunba was the President of Lagos Chamber of Commerce and Industry (LCCI) and by dint of hard work and spirit of commitment, he became the 51st President of ICAN on June 2, 2015.

Prior to his election, this Administrator per excellence had risen through the ranks in the Institute and really paid his dues before he qualified for the exalted position. He used his immense experience both abroad and in Nigeria to contribute in no small measure to the development of the Institute and Nigeria as a whole. The United Kingdom trained Chartered Accountant had served the Institute either as a Chairman, Deputy Chairman and member of the various committees of the Institute. In this interview with The Nigerian Accountant team led by Bunmi Owolabi (Editor), Muyiwa Dare, Nkemakolam Jacob and Ruth Idumuekwu, the Justice of Peace (JP) of Ogun State opened up on many issues.

He spoke on the state of the nation, the economy, accounting profession, the Institute and its membership, staff and ICAN's contributions to national development. Excerpts:



Congratulations on your election as the 51st President of ICAN. In the past few days you assumed office, how has it been and what has been your experience?

It has really been wonderful. It is a different atmosphere from being Vice President. Now everything appears to be stopping on your table, and as it is, I have read many things and treated many issues. I got my first baptism of fire as President on the induction day of the Association of Accounting Technicians (AAT) when I was called on to grant a television interview. I was surprised at the type of questions they asked me. After the interview, my friends started calling me to comment on my first media outing. But so far there are no surprises as this is a familiar territory because I have been the President of Lagos Chamber of Commerce and Industry (LCCI). One needs to always be prepared because there are issues to be resolved and demands of the office to be met. So, my experience being the President of the Institute so far is as challenging as it is exciting.

Sir, you always talk about purposeful leadership and you also repeated it in your inaugural speech. How do you intend to achieve this in ICAN?

The purposeful governance and leadership I referred to implies interacting and communication with people before you take decisions. As a leader you must take your people on the journey. That is what gives you the acceptability. That is what I mean and I believe in purposeful leadership. You will make mistakes and you will get corrected as you go along because you cannot do it alone. There are some things that are peculiar to ICAN which you must know because that makes it different from you being the President of another organisation. I'm dealing with colleagues in Accountancy, those older than me, those who qualified before me and people who have just qualified and I must show that though I am the President and I need their support. If they do not give me support, I cannot do 365 days without rancour.

How do you intend to encourage members to pay their membership subscriptions as at when due?

I have said it before that membership of Eko Club is quite different from membership of ICAN. People have aligned it that if they can pay for Eko Club or Lagos Country Club, they should not be complaining about subscription of ICAN. I disagree entirely with that. The subscription of professional body is different, you cannot say they must be able to afford it. They may not, in the sense that if they don't have jobs, they cannot pay. The other one they are comparing it with, I mean that of the club, is not compulsory. Your company or organisation may even pay for you. We should be sympathetic. But how do we let them feel relaxed and be able to pay their subscription? We have done the main thing last year. The Institute went to them rather than wait for them to come to us. I commend the effort of the Immediate Past President who did that. I think what we should really do is to provide more information on how to give them more and better services and assistance. I did that when I was 2nd Deputy Vice President. I introduced Employment Bureau into the system of ICAN at the Membership Affairs department. What we can do now is to improve and make it more robust in the sense that we must ensure that people are getting

employment through that platform. The employment bureau must be operated effectively and if our members know about it, they will visit or call. What I intend to do more now since that employment bureau is succeeding is to make it more glaring. We should let people know that they can submit their Curriculum Vitae (CV) at ICAN Secretariat. We should also let employers outside know that if they need Accountants, they can come to ICAN. The head-hunt will even be cheaper for the employers if they come to recruit at ICAN. I have already started that with a very big organisation in the Communication industry. So, we must make a lot of things happen so that people will be convinced that if they pay their subscription, there is a value to get from ICAN. That is what I believe can make people pay their subscription.

Sir, it has been fifty years since ICAN began the regulation and certification of Accountants in the country, what can you say are the high points?

When we started in 1965, there were only 250 members in

ICAN. You must remember that as at that time, there was no examination set due to the fact that it was those who had already qualified abroad that returned from United Kingdom that formed the nucleus. ICAN did not start its examinations until 1970, which was five years later. Obviously, people complaining that we have just got 40,000 members should look beyond just number, and see the quality we have produced. We are champions of quality control when it comes to the production of professional accountants. Our certification examinations are fraud-free and there are no leakages. But there is no truth in the insinuation that ICAN was just failing candidates. Nobody is failing anybody. If you pass, nobody will fail you. So, saying

ICAN has failed you is sheer defeatism. My own suggestion is that the District Societies should be up and doing to help the students taking our examinations to prepare well. Nobody wants to fail anybody, but we cannot afford to have shoddy professionals becoming ICAN Associates. So whatever will make us go down will not be tolerated. We cannot lower the standard because we want to produce competent accountants. Our certification is competitive and I make bold to say that our members can raise their heads anywhere in the world. We want to produce first class global professionals that will be able to compete with anybody from any other Institute all over the world.

ICAN has come of age. Can you mention some of the Institute's achievements since inception?

In its fifty years, ICAN has made enormous contributions to the economic growth and development of the nation some of which are worth mentioning. As part of its responsiveness to the Nigerian people, the Institute has contributed to national development by making representations to the government on annual budgets, rolling plans and other relevant economic issues. It regularly submits memoranda to the government to enhance policy formulation in the country. It also organises awareness seminars on economic issues. ICAN has so far trained and certified over 39,000 chartered accountants who are variously engaged in the creation of value in all sectors of the

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economy. A review of the manpower profiles of the various Inland Revenue Services across the country, the Central Bank of Nigeria, Federal and State Ministries of Finance, Public Corporations, Banks, Insurance and listed companies, non-bank financial institutions, etc, will affirm that chartered accountants are at the commanding heights of the economy adding great value to wealth creation. Since the Institute started its examinations in 1970, it is on record that the integrity of its processes has never been compromised. Examination Questions have never leaked! The standard of its examinations are benchmarked on the International Education Standards set by the International Accounting Education Standards Board (IAESB), a board of the International Federation of Accountants, the global body that regulates the Accountancy Profession in 125 countries of the World.

The Institute currently has a registered student population of 120,000 in its professional examination scheme and in order to facilitate the production of middle level manpower needed by the nation in its development process, the Institute introduced the Accounting Technicians' Scheme West Africa (ATSWA) which has trained about 19,000 accounting technicians since its inception in 1989. The Scheme currently has a registered student population of over 40,000. The Institute often makes representations to the government on annual budgets and other fiscal initiatives. It also submits memoranda to the government and National Assembly on various accounting, economic and business issues germane to the building of the Nigerian nation of our dream. Since its 1999/2000 Presidential Year when the Institute successfully participated in the sessions on the review of Country Financial Accountability Assessment and Country Procurement Assessment Report organised by the World Bank in conjunction with the nation's Presidency and the Federal Ministry of Finance, ICAN has been involved in the review and implementation initiatives of the World Bank. These initiatives produced the highly revered Reports on Standards and Codes (ROSC) Accounting and Auditing on Nigeria in 2004 which was revised in 2011.

One of the prime objectives for the establishment of the Institute is the promotion and defence of the public interest. Pursuant to this, the Institute has issued some Advocacy Papers designed to educate the public as well as draw policy makers' attention to issues that can either advance the course of the Institute and profession or vitiate economic growth and development.

In order to increase the number of candidates qualifying as chartered accountants while sustaining its high standard, the Institute has accredited over 125 tertiary institutions across the country which run full time accountancy courses as specified in the ICAN syllabus for preparing students for the professional examinations. Such accreditations are reviewed every three



years to ensure that such institutions continue to meet the requirements.

Also, in its strategic efforts to improve the quality of accounting education in the country, the Institute launched a fifty million naira Tuition House Support Fund. The main thrust of this initiative is to make funds available to accredited Tuition Houses not only to improve their training facilities including libraries and learning environment but also to enhance their capacity to support and prepare students for the Institute's Professional and ATSWA examinations at subsidised tuition rates. As part of its contributions to educational development, the Institute built 350-capacity lecture theatres in leading universities in the country. In the first

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batch, the following five institutions benefited from the initiative: North-West University, Kano; Obafemi Awolowo University (OAU) Ile-Ife; University of Benin, Benin; University of Nigeria, Enugu Campus; and Federal University, Birnin Kebbi.

In order to address the dearth of chartered accountants in areas perceived to be educationally disadvantaged in the country, the Institute through its Students Special Project (SSP) initiative has continued to encourage well-established tuition houses to expand their training programmes to such areas. The success of this project in some States of the Federation, such as Cross River, Bayelsa, Kwara, Kaduna and Kano States, amongst others, has been most exciting.

ICAN recently signed an MoU with the New Nigeria Development Company Limited in order to expand the reach of this programme to most northern states of the country. As a body committed to excellence, the Institute established the Accounting Research Foundation in 1989 in its determination to expand the frontiers of accounting education. This Foundation currently supports doctoral students with a grant of N500,000 in addition to sponsoring Commissioned research projects to the tune of one million Naira each. The Institute, through this Foundation, also awards prizes annually to best graduating accountancy students in all Nigerian Universities and Polytechnics. These Prizes are in Gold, Silver and Bronze categories.

In order to provide members of the Institute in academics the opportunity to publish their research works, the Council approved the establishment of a research journal titled, ICAN Journal of Accountancy and Finance. The first edition of the journal was printed in September, 2009. The journal annually publishes articles in accounting, auditing, taxation and related subjects.

The Financial Reporting Council (FRC) of Nigeria sets the Financial Reporting Standards for use in the country by virtue of its enabling Act No. 6, 2011. Its precursor, the Nigerian Accounting Standards Board (NASB), was founded by ICAN in 1982 as part of its strategies to set standards and raise the quality of financial reporting in the country. From its internally generated revenue, ICAN solely financed and managed the body for ten years until it was taken over by the government in 1992. The Institute still plays an active and significant role on the Board of the FRC.

The Institute is statutorily empowered to issue Auditing Standards in the country which are used in the audit process to provide the reader and user of financial statements an objective view of the reliability of such financial statements. Thus far, the Institute has issued thirty-two Nigerian Standards on Auditing 1-32 as well as the Nigerian Standards on Quality Control 1.

The Institute recently created a N50 million Whistleblowers' Protection Fund as part of strategies to ensure high moral, financial, ethical and legal standards by members in the discharge of their duties. The aim of the Fund is to protect ICAN members and the Public from any form of reprisals or victimisation when an alarm is raised on financial impropriety by public or private establishments, individuals or groups within the country. The Fund is also to assist whistle blowers in litigation expenses reasonably incurred and to assist members of the Institute to discharge their professional duties without fear of being victimised.

Generally sir, what are the specific things you want to achieve during this Presidential year?

This presidential year, my focus is going to be on what the Council has already decided. They want the Institute to be more computerised. That is already in my acceptance speech. I know it will not be without tears but that is where the world is going. We cannot do what we were doing 20 years ago and expect to get better results than what we were getting then. We are making progress. That is why we are being copied by most professional Institutes. We started Mandatory

Continuous Professional Examination (MCPE); we started conference. We are not resting on our oars, we are improving daily. My own focus is to improve on the already laid-down things; to make sure that any form of discrepancies are addressed and improved upon. There must be cohesion in our everyday dealings because we are driven by global acceptability.

You know our problem has been that the environmental situation is not helping us. That is why I must make a lot of contributions through the Institute to the economy of the nation. I'm praying that we forget about oil and do other things. Agriculture and other resources are there. We need to diversify because if we don't diversify, we cannot move and ICAN must be one of the leading lights to drive that. ICAN is a unique Institute with multifarious mandate. I want to include entrepreneurship in our programme. We are not supposed to be employees alone; we are supposed to be employers as well. We must create employment through our faculties because we have specialists in many areas. I don't see why we can't go to agriculture, why we can't go to solid minerals. We are not supposed to send cocoa to America to be processed and brought back as beverage. We should also manufacture it here. Manufacturing is where I am coming from and so, I know what I am talking about. Foreigners should be able to come here and bring their expertise to work. We were on agricultural country before we discovered oil. If Benin is the best producer of oil in Nigeria let the product be processed there and be exported to make more money. How can we say we should be taking our crude oil outside the country to other countries to refine when we should take it to our own refinery? We have refineries before, why can't we repair them and make them work.

Apart from diversifying the economy of Nigeria, what can we do again to put the country back on track?

First, terrorism needs to be tackled and conquered because if we have terrorism, we won't be able to move forward. It will affect the economy. But most importantly, corruption must be stamped out of our system. But this must start from us because

our motto is "Accuracy and Integrity." We must sustain our integrity by not joining the bandwagon to do evil. We must be in the forefront to fight corruption. Some people are saying corruption cannot be stamped out in this country, I don't believe so. We must also encourage education by spending more money on it. An educated mind is a sound mind. We must be seen, heard and ensure that despite all odds in Nigeria, we stand to be reckoned with as outstanding professionals in accounting.

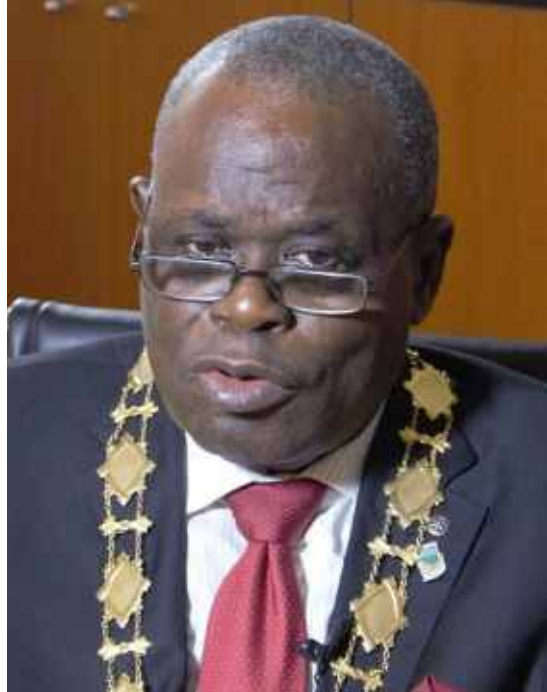
What will you do to ensure internal harmony with the workforce in ICAN during your tenure?

I came from the private sector where I worked in manufacturing. I was the Finance Director of a

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battery manufacturing company. I spent 28 years there, so I know what the Union can do and what the Union cannot do. I intend not to have bad experience during my presidential year. So, I can say that I don't have problem with the Union. I'm not claiming that I have done anything good for the Union but I can assure you that when I was in charge of staff and organisation, they were ready to strike but all that was needed was regular consultation with them. There is no reason for us not to have industrial harmony. If you don't see them as partners in progress, then you are in trouble. Even if it is going to affect them, they will know we have done our best. That is the purpose why the Union is there. They too want the best for themselves. But we need to explain to them that if we



sanitised. We will support them through this whistle blowing method and we will ensure that things are put right in such a situation. That is our job, that is our responsibility and that is what we are doing. Our disciplinary process is there to deal with any member found culpable.

What is your advice to upcoming chartered accountants?

The advice I will give to upcoming chartered accountants is that the profession they have chosen holds much promise. If they work hard and don't want to be rich overnight, they must adhere to the principle of integrity. They must avoid listening to people who will malign them. If they do, they will lose the certificate and that is the beginning of poverty. Once you lose your certificate you will not be able to work as a chartered accountant and can hardly do anything else. Accountants by nature of their training can work anywhere, whether in government, agriculture, bank, insurance or where they are collecting refuse, etc. They are versatile. So, they should not be too ambitious and want to be rich quickly or else they will find themselves where they don't want to be. If you do

wrong, the Disciplinary Tribunal of ICAN will catch up with you and you will be delisted.

ICAN is 50 years now. What is your vision for ICAN in the next 50 years?

I am lucky am at the edge. My presidency is at the end of the golden anniversary and the beginning of another 50 years. We have spent five decades and I have seen some of it because I was an administrator in this Institute in 1994. I feel bold to say that after 21 years I became the President. I know what it was in 1994. There were no induction ceremonies, there were no committees and we didn't have to depend on grants from government. I remember late Chief Ebenezer Oke, he was the president who started induction at that small place in Council Chamber. I presented a paper on that occasion and the topic was just "An Accountant in the Private Sector." When we induct them we invite experienced people to come and talk on any aspect of accountancy. So, looking at the next fifty years of ICAN, what I will suggest is that we should not rest on our oars. I intend to see a better and more articulate Institute, an e-compliant Institute with more innovations.

How do you relax when you are not working?

If am not working, I do more of community things. Sometimes I engage myself in religious activities. I also spend most times helping people who are disadvantaged. In a nutshell, I am either engaged in environmental work or in the church or doing one thing or the other to help humanity.

“ Looking at the next fifty years of ICAN, what I will suggest is that we should not rest on our oars. I intend to see a better and more articulate Institute, an e-compliant Institute with more innovations ”

spend all the money on workers, we will not be able to do all the normal things we need to do and that strike is not the best answer to issues. If we are also getting on well and we cannot pay our staff well, we are vulnerable because if we have disgruntled staff, they will not put in their best into the job. I am a believer in equal work equal pay but I can't stand idleness. I was in the students union when I was in U.K. I don't mind the Union but they must be reasonable and we as employers must take them into consideration in our day-to-day operations so that everything will work out. You will have challenges but the application of the employer and the employees' relation should be able to resolve it without too much acrimony. That is the best way to approach it.

You said we are going to be at the forefront to tackle corruption in Nigeria and there is a believe among people that no fraud can take place in an organisation without the connivance of accountants, what message do you have for our members in this regard?

The message is clear. We have put down a N50 million Fund to protect and empower accountants in both private and public sector, to adopt the principle of whistle blowing. The aim is to protect them so that they will do what is right. We are watchdogs and we must be prepared to do our best to achieve what we are supposed to achieve. The Fund will give our people confidence not to raise frivolous issues. There is something happening in one of our Institutions now which has been brought to my notice since I became President. I won't mention names but we are doing things to ensure that the place is

Our goal is to ensure success in ICAN exams. We have, therefore, provided solutions to some past questions to guide candidates in future exams. Although these suggested solutions have been published under the Institute's name, they do not represent the views of the Council of the Institute. ICAN will, therefore, not enter into any correspondence about them.

FOUNDATION LEVEL EXAMINATIONS (May 2015 Financial Accounting)

Time Allowed: 3 hours

SECTION A : MULTIPLE CHOICE QUESTIONS

(20 Marks)

ATTEMPT ALL QUESTIONS IN THIS SECTION

Write ONLY the alphabet (A, B, C, D or E) that corresponds to the correct option in each of the following questions/statements:

1. Which of the following will NOT be included as financing activities in the statement of cash flows of a business entity?
 - A. Proceeds from the issue of shares
 - B. Cash dividend paid to shareholders
 - C. Loan from the bank
 - D. Proceeds from disposal of non-current assets
 - E. Proceeds from issue of debentures
2. On 1 January 2013 a motor vehicle, with the expected useful life span of 5 years and residual value of N100,000, was acquired for N1,600,000. Using sum-of-the-years digit method, what is the second year depreciation provision of the motor vehicle?
 - A. N400,000
 - B. N426,000
 - C. N530,000
 - D. N540,000
 - E. N600,000
3. A draft financial statements of DS Enterprises revealed that an amount of N10,000 expended on repairs of telephone was recorded as motor vehicle expenses. State the entries to reverse this error.
 - A. Dr. Motor vehicle expenses account Cr. Telephone expenses account
 - B. Dr. Telephone expenses account Cr. Suspense account
 - C. Dr. Motor vehicle account Cr. Suspense account
 - D. Dr. Telephone expenses account Cr. Motor vehicle expenses account
 - E. Dr. Suspense account Cr. Telephone expenses account
4. The source of data for the recording of sales day book of a business enterprise is
 - A. Returns inward note
 - B. Returns outward note
 - C. Official receipt
 - D. Payment voucher
 - E. Invoice
5. A vehicle was purchased on 1 January 2011 at a cost of N2,000,000 and was depreciated at 25% on cost. It was sold on 31 December 2013 for N1,400,000. Full-year depreciation was charged in the years of purchase and disposal. Required: Determine the profit or loss on the disposal.
 - A. N500,000 profit
 - B. N500,000 loss
 - C. N900,000 profit
 - D. N900,000 loss
 - E. N1,150,000 profit
6. Which of the following is NOT correct in differentiating between sole trader and limited liability companies?

- A. sole trader is fully and personally liable for any losses that the business might make
 - B. Drawings would only appear in the financial statements of a sole trader
 - C. Only companies have share capital
 - D. A sole trader's financial statements are private and never made available to any other equity holder
 - E. Companies financial statements are sent to shareholders and may be publicly filed
7. Which of these statements CANNOT be defined as income?
- A. Decrease in economic benefits during the accounting period
 - B. Increase in economic benefits during the accounting period
 - C. Decrease in liabilities
 - D. Gains arising on the disposal of non-current assets
 - E. Activities that enhance the net assets
8. Which of these books of account could be classified as a subsidiary book as well as a ledger?
- A. Sales day book
 - B. Cash book
 - C. General ledger
 - D. Nominal ledger
 - E. Personal ledger

9. Abalabi Ventures has a credit facility with a local trade supplier. An invoice for purchases has been credited to the suppliers account and wrongly debited to the sales account.

Which of the following journal entries will correct the errors

- A. Dr. Sales account Cr. Supplier account
- B. Dr. Supplier account Cr. Sales account
- C. Dr. Purchases account Cr. Sales account
- D. Dr. Sales account Cr. Bank account
- E. Dr. Supplier account Cr. Cash account

Use the following information to answer questions 10 & 11.

The accounting officer of a trading outfit wrongly debited the purchase of a non-current asset item to purchases account and credited it to the supplier's account.

10. Which of the following journal entries is appropriate to correct the error?

- A. Dr. Supplier's account Cr. Purchases account
- B. Dr. Purchases account Cr. Supplier's account
- C. Dr. Non-current asset account Cr. Purchases account
- D. Dr. Purchases account Cr. Non-current asset account
- E. Dr. Supplier account Cr. Non-current asset account

11. The effect of the error on the financial statements, if not detected, would include the following EXCEPT

- A. The purchases in the financial statements will be overstated.
- B. The inventory of the outfit will be understated
- C. The profit of the outfit will be understated
- D. The non-current assets account will be understated
- E. The inventory will be overstated

12. Which of the following provides the origin of accounting information?

- A. Accounting books
- B. Source documents
- C. Ledger
- D. Cash book
- E. Subsidiary book

13. Which of the following errors does NOT affect the balancing of a trial balance?

- A. Error of principle
- B. Casting error
- C. Transposition error
- D. Duplication of entries
- E. Missing entries in the ledger

14. Which of the following is NOT an accounting concept?

- A. Information
- B. Historical cost
- C. Consistency
- D. Accrual
- E. Going concern

15. When recognising income under the accrual basis, which of the following statements is correct?

- A. Income is recognized when earned and cash is received
- B. Income is recognised only when it is not certain that cash will be received
- C. Income is recognised only when cash is received
- D. Income is recognised when earned and Not necessarily when cash is received
- E. Accrued income is only recognised in the financial statements.

16. The following information relates to Pingway Enterprises as at 31 December 2013.

	N'000
Allowance for bad debts brought forward	9,750
Accounts receivable	129,250
Bad debt to be written-off	9,250

Allowances for bad debts should be adjusted to 5% of accounts receivable balance.

What amount of allowance for bad debts would be written-back in 2013 financial year?

- A. N15,750
- B. N9,750
- C. N6,463
- D. N6,000
- E. N3,750

17. Where there is no partnership agreement, any capital contribution in excess of the agreed amount attracts.

- A. No interest
- B. Interest at the rate of 21/2% per annum
- C. Interest at the rate of 5% per annum
- D. Interest at the rate of 10% per annum
- E. Interest at the rate of 20% per annum

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Use the following information to answer questions 18 and 19

	N
Balance as per cash book	220,000
Dishonoured cheques	100,000
Bank charges	10,500
Uncredited cheques	70,000

18. The adjusted cash book balance is

- A. N100,000
- B. N109,500
- C. N155,500
- D. N209,500
- E. N309,500

19. The balance as per bank statement is

- A. N39,500
- B. N41,500
- C. N139,500
- D. N179,500
- E. N239,500

20. Which of the following assets can be classified as non-current in the financial statements of an entity?

- A. A tax refund due next year
- B. A motor vehicle held for resale
- C. A computer acquired for office use
- D. Cleaning products used to clean the office
- E. Closing inventories.

SECTION A

PART I - MULTIPLE-CHOICE SOLUTIONS

1.D	2.A	3.D	4.E	5.C
6.D	7.A	8.B	9.C	10.C
11.B	12.B	13.A	14.A	15.D
16.E	17.C	18.B	19.A	20.C

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