



Securing our Shared Future

Avoiding the Tragedy of the Commons

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The Institute of Chartered Accountants of Nigeria (ICAN)

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Outline

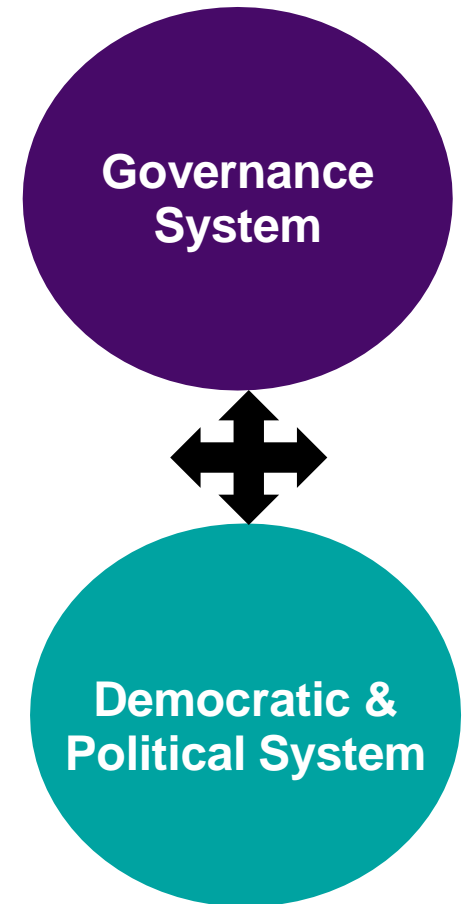


1. **Concept Overview**
2. **Securing our Shared Future**
3. **ICAN as a Catalyst**
4. **Conclusions**

The Tragedy of the Commons....The Nigerian Context

As a nation, our collective existence and the welfare of future generations are challenged...

- Nigeria is **richly endowed with human and natural resources** which have not been optimally leveraged to achieve sustainable development
- The **current state of our politics, governance, leadership and tussle for resource distribution** have **stunted the nation's pace** of social and economic development.
- The **commonwealth of the country** has been **pillaged by a few** thereby creating a sense of **economic insecurity** for the average Nigerian.
- Regrettably, **everyone is angling to exploit, no one is willing to regenerate** thereby, wittingly, courting the **Tragedy of the Commons**. **If the resources dry up, where is our collective security?**
- The **Governance Systems and Democratic & Political System** of any nation are key drivers of economic growth and development
- However, our **national development lacks collective responsibility** and has **adversely affected the rate of economic growth and development**.



The Role of the Chartered Accountants

The fundamental questions we need to ask ourselves today are as follows:

- **What is the role of chartered accountants in Nigeria?**
- **If the chartered accountants aspire to serve in the private sector and not-for profit sector, who constitutes the government? Who have we left governance roles to?**
- **What are the contributions of chartered accountants to the economic, political and social development of Nigeria, with ICAN being part of the Nigerian society for more than 50 years ?**
- **A number of ICAN members have occupied positions in the legislature and executive arms of States and Federal Governments; what has the Institute contributed to economic growth and development?**
- **What public value should the accounting profession deliver in securing our shared future?**

The Role of the Chartered Accountants

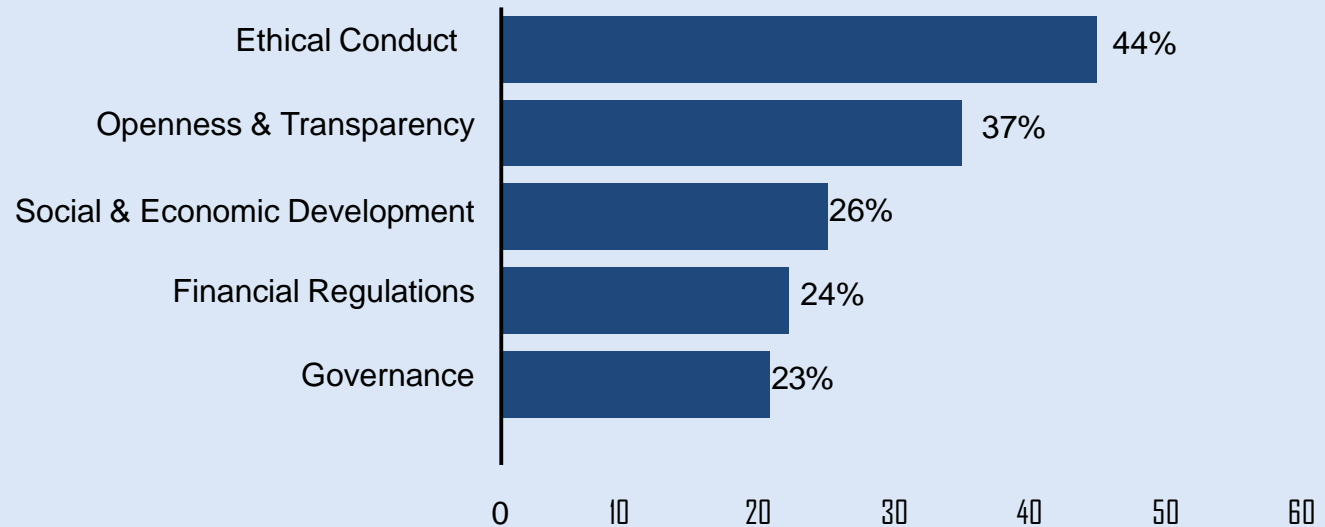
Public value delivered by the Global Accountancy Profession and how it could be enhanced...



38%

of the respondents rated the Accountancy profession high in delivering public value placing it second to the medical profession

Top 5 factors identified as important for the global accountancy body to contribute to public value....



Source: 2011 International survey by the Association of Chartered Certified Accountants (ACCA) among Chief Financial Officers and Finance Directors or their nominated equivalents across 20 countries, seeking their views on the public value delivered by the accountancy profession and how it could be enhanced. The 1,384 participants were drawn from across Africa (301), the Americas (159), Asia (50), Asia-Pacific (362), Australasia (52), Eastern Europe (157) and Western Europe (303).




ICAN as a Catalyst

"I alone cannot change the world, but I can cast a stone across the waters to create many ripples."

- Mother Teresa

ICAN as a catalyst in Securing our Shared Future

Ethical Conduct




Act **diligently** and in accordance with **applicable technical and professional standards** when providing professional services. **Independent in mind**, not allowing **professional, political or business judgment** to be overridden by bias, conflict of interest and undue influence.

Social & Economic Development




ICAN has an essential role to play in the **development** and **application of consistent global professional and ethical standards** in **promoting good governance and supporting economic development** in the country.

Financial Regulations




Higher level of **advocacy in financial prudence, disclosure and financial stewardship** to show **value for money**, efficient and effective resource utilization and fair representation of activities.

Openness & Transparency



Adopt **corporate transparency** i.e. the **accessibility of information** to stakeholders of institutions, **regarding matters that affect their interests**” as a basic ingredient of **redeeming the image of our great profession** in the Nigeria.

Governance



ICAN to examine its role in **corporate governance** and the **extent to which financial reporting serves the needs of corporate governance** for the benefit of a wide range of stakeholders and for the benefit of society in general

Chartered Accountants, by our public interest mandate, are eminently positioned to champion a faster rate of growth of our economy



Serve in Public Office

- Provide relevant skills and training for each tier of government to execute their agenda
- Encourage qualified and experienced chartered accountants to take up active roles in the 3 tiers of government and public office whilst their existing organization continues to provide financial support where possible.



Hold Public Office Accountable

- Assist government in developing various initiatives that will enable transparency and accountability of roles e.g:
 - Federal and State government should be mandated for timely passage of the budget (current BudgIT record has only 2 Federal Government budget passed before the 31 December deadline)
 - Quarterly feedback by all tiers of government on actual financial performance against budget plans
 - Push for government to spend higher proportion of budget on capital expenditure rather than on recurrent expenditure etc.



Build Sustainable Institutions

- ICAN should offer expertise to review budget process for much more effectiveness and more relevance to state and federal government standards
- ICAN should work with the Office of the Accountant General to fast track the implementation of the International Public Sector Accounting Standards (IPSAS) for Federal State and Local government
- ICAN to support capacity building on the role of chartered accountants in the 3 tiers of government

But how prepared is ICAN for the Future Development of Nigeria?

1

How do we **bridge the human capital gaps** of today to ensure we have the skills and competencies required for the future?

2

We are in the 4th Industrial Revolution... Are we producing **chartered accountants that can operate in the 4th industrial revolution?**

3

How do we ensure an **Education Sector plan that is futuristic** and takes into account the requirements for **governance, economic development, science & technology, etc. ?**



... Human capital is about **65%** of the wealth in high-income countries and only **40%** in low income countries.

Low income countries need to overcome this – and there is a sense of urgency – not only because we are facing several current human capital crisis, but also because accelerations in technology **will require countries to urgently invest in their people if they hope to compete in the economy of the future.** "

Jim Kim

President, World Bank Group

The world has transitioned into the 4th industrial revolution

INDUSTRIAL REVOLUTION

Water and steam- powered mechanical manufacturing facilities

Industry 1.0

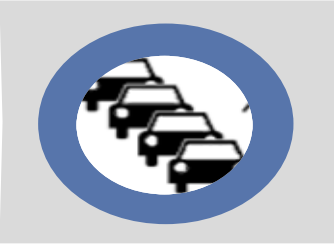
Mechanisation, steam and water power



Electrically-powered mass production based on division of labour

Industry 2.0

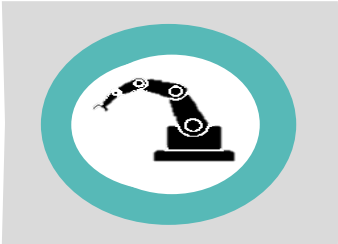
Mass production and electricity



The rise of digital age, increased use of electronics to achieve further degrees of automation

Industry 3.0

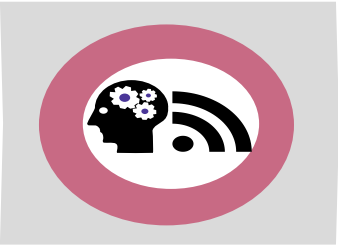
Electronic and IT systems, automation



Use of artificial intelligence and ultra- connected networks monitoring and controlling physical processing

Industry 4.0

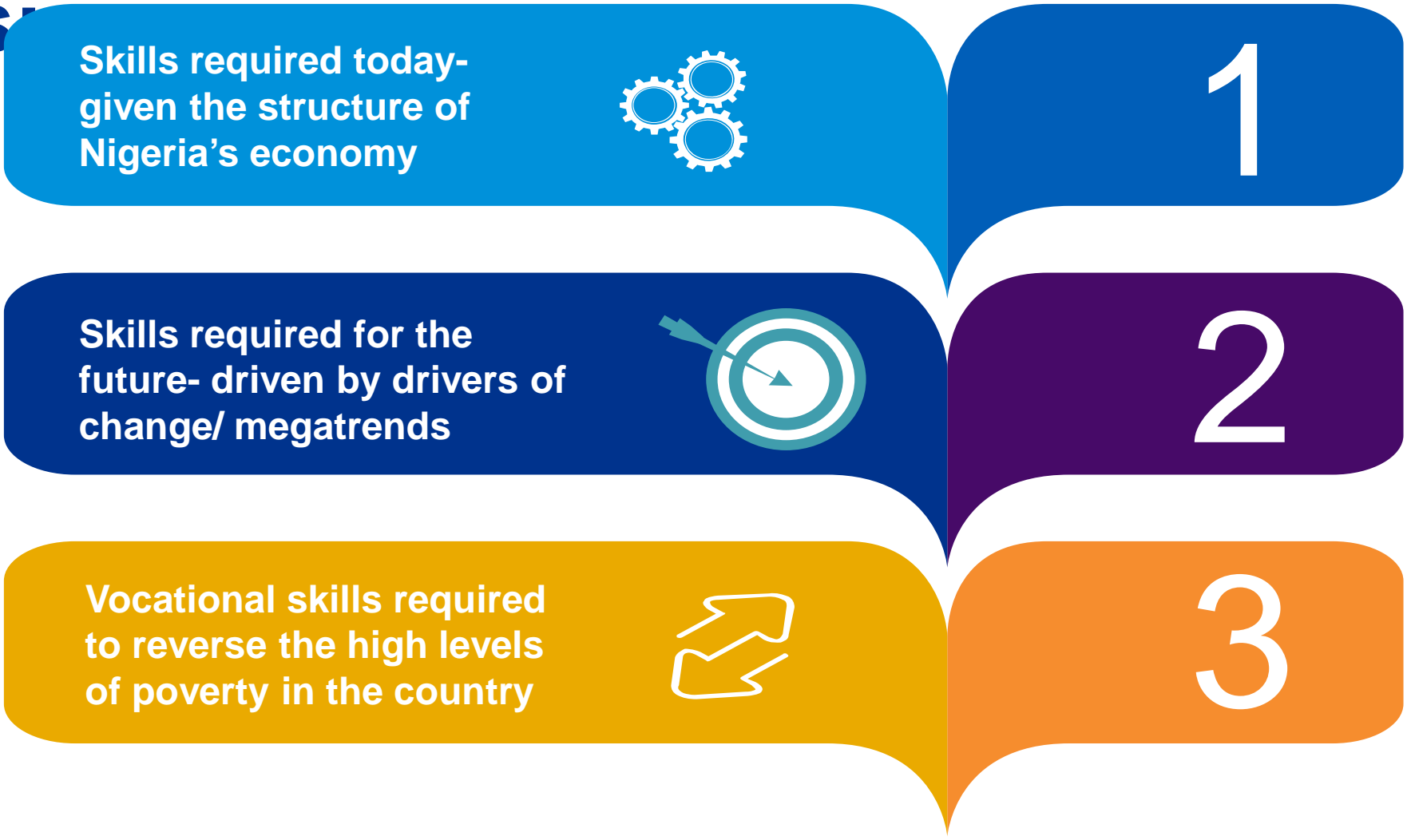
Cyber physical systems



Growing Complexity

Source: World Economic Forum

Addressing the human capital development gaps for the Accounting Profession therefore requires an understanding of three key skill areas



In conclusion...

...Securing our shared future cannot but be a collective responsibility



...As Chartered Accountants, we must **build trust** in society and governance, **discredit unethical acquisitive societies** and deliberately **restore the eco-system** to enable us achieve the UN's goal of having a **sustainable development** that takes care of the present, without **compromising the ability of future generations** to meet their needs.



Thank you

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