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APRIL/JUNE, 2015

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INTERNATIONAL PUBLIC SECTOR ACCOUNTING STANDARDS

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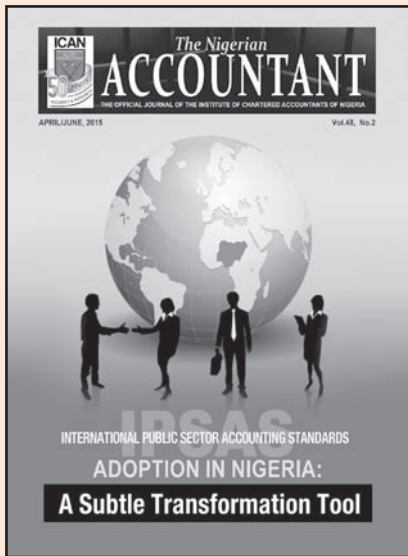
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From The Editor

The introduction of the International Public Sector Accounting Standards (IPSAS) by International Federation of Accountants (IFAC) was specifically targeted at improving the quality of general purpose financial reporting in the public sector. By its introduction, IPSAS was meant to guide financial reports and preparers of financial statements under new accounting and financial reporting framework. It is meant for users to move from core public sector accounting which records receipts and payments to cash basis IPSAS and then to accrual basis IPSAS.

In our lead article with the title *“IPSAS Adoption in Nigeria: A Subtle Transformation Tool,”* the author points out how the adoption of this new accounting standards can lead to better informed assessments, increased transparency and accountability.

Another article entitled *“The Establishment of Audit Committees in the Public Sector : A Necessity for Financial Oversight”* examines the importance of having audit committees in the public sector as a means of preventing fraudulent practices by public officers. The author posits that accountability challenges could be tackled with the establishment of audit committees while financial oversights are also strengthened.

“Management of Emotions for Personal and Organisational Success” discusses how human emotions can determine individual and organisation successes and otherwise irrespective of intelligence and management skills of the concerned. The author states that the first step to manage emotions is recognising its existence so as to learn how to behave when the feeling occurs.

Similarly, *“The Impact of Emotional Intelligence on the Roles of Internal Auditors”* examines how emotional intelligence can impact on the organisational roles of internal auditors. The writer explains that emotional intelligence helps an auditor to manage himself and his relationship with others, most especially that he is expected to objectively examine, evaluate and report to management on the adequacy or otherwise of internal controls.

You will also read an interview granted by the 98-year-old icon of Accountancy profession, the first professionally qualified Cost Accountant in West Africa and a foundation member of ICAN, **Chief (Dr.) Garrick Sunday Zaccheus Uwa Aghahowa, FCA.**

All these and many others are published in this edition. Your comments on this edition are welcome. Please write to:

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Management of Emotions for Personal and Organisational Success

By **NWADEI IFEANYI**

Human emotions are very important in determining individual and organisation successes and failures. These may occur irrespective of levels of intelligence and management capabilities. Emotions are basically grouped into four: happiness, sadness, fear and anger. The first step in managing emotions is the recognition of their existence. This would enable one learn how to behave when the feelings occur. Successful management of emotions manifests in good behaviour at home, work place and the society. This usually translates into success in whatever endeavor one engages in.

1.0 INTRODUCTION
Someone once asked why very intelligent students do not always repeat the same feat in personal lives, organisations or other areas of life endeavour. This question bothers many people. Some are quick to point out that most wealthy men never went to school while others that performed poorly at school appear to be very successful in wealth creation. It would appear that other factors are responsible for success other than intelligence. Such factors may be referred to as emotions.

Emotion is a strong feeling of any kind which influences human actions. Emotion and its expression are very important for success or failure in life. One's emotional expressions determine how one relates with other people in the family, organisation and others. Emotions also determine job performance which reflects attitude one holds towards the job at hand. For instance, when one is happy about one's job, performance tends to improve. There would be willingness to take up challenges, surmount difficult tasks and willingness to assist other people realise their potentials. The situation would be different when one is sad, afraid or angry. Therefore, it would

be imperative for one that desires to achieve success to understand and learn how to manage emotions

2.0 UNDERSTANDING ONE'S EMOTIONS
Like primary colors from which other shades of color emerge, emotions can be classified into four basic groups such as happiness, anger, fear and sadness. Other forms of emotions could conveniently fit into any of these groups. These other variant emotions may be excessive, moderate or low expression of any of the basic emotions stated above. Therefore, it would be convenient for one to approach the understanding of one's emotions by studying these basic emotions.

Any of the basic emotions manifest itself in form of feelings. These feelings over the time become established attitude and form basis for behaviour. Emotions signify certain occurrences in the body which may be interpreted in whatever way depending on the learned behaviour. One that wants to understand emotions would learn to identify the occurrences in the body that are associated with whatever emotions.
The occurrences in the body that signify emotion may be similar but behaviour

emanating from them may not. It means that one can clarify these occurrences with those of other people when learning how to understand one's emotions. It would be right to state that everyone experience happiness, anger, fear and sadness at one point or the other. There is nothing wrong in one experiencing any of this emotional state. However, it is expedient that one understands and knows when they occur.

2.1 HAPPINESS
A feeling of happiness would make one smile even when one is alone. This state prompts one to share the feeling to anyone that cares to listen. There are also signs of inner satisfaction, feeling of accomplishment and success. The level of happiness that one experiences would determine the behavioral pattern that may follow. The understanding of these occurrences would make one aware and conscious that a feeling of happiness exists. Happiness may occur as a result of recall of past events, present situation and/or future expectations.

2.2 ANGER
Anger is a reaction of disapproval to unpleasant circumstances. It could prompt a feeling of pain in the stomach or chest,

shaking of the body or fist and toughing of the facial muscles. One should learn to note when these feelings occur and recognise them as such. Noting the feelings would help one to interpret occasion of anger and events that stimulate them before the associated behavior manifests.

2.3 FEAR

Fear is a feeling that something unpleasant may happen in the future. It signifies doubt as to when and how a future event may occur. Occasion of fear may be signified by appearance of goose pimple on the skin, imaginations of all possible mysterious circumstances and wandering of the mind. These experiences are symptoms of fear and should be noted by one that wants to understand emotions.

2.4 SADNESS

Sadness is a feeling of displeasure which manifests peculiar feelings. The feeling of sadness could manifest in quietness, staying lonely, recurrence of previous sad situations, heaviness of heart and others. One may note when such feelings occur to enable one associate them with the appropriate emotions.

The ability to associate relevant feelings to a particular emotion shows the level of understanding of one's emotions. The skill for developing this learning tool cannot be acquired overnight but over time. The good thing about understanding one's emotion is that it is within the reach of everyone irrespective of profession and academic background. It is learnable and achievable by all. With the understanding, one can begin to manage one's emotions to one's advantage and that of the society.

3.0 EFFECTS OF EMOTIONS ON ONE'S SUCCESS

3.1 EFFECTS OF HAPPINESS

Happiness is a feeling of being pleased or attitude of showing pleasure. It is a unique emotional state that everyone wants to be at every moment. People have engaged in several activities hoping to repeat this unique feeling of pleasure. Most people expect to prolong this feeling but only few people manage to achieve it.

There are four basic emotions such as anger, fear, sadness and happiness as was stated earlier. The feeling of happiness dominates the other three emotions. One could say that the feeling of happiness is

the absence of fear, anger and sadness. Happiness is a positive feeling while the other three emotions are negative feelings. It would imply that when one masters the ability to put the other emotions in check, one can sustain the feeling of happiness.

Happiness may or may not depend on events. Happiness that depends on events is short lived while that which does not depend on events is long term. It is the long term happiness that people desire to experience. This is why people express faith in life beyond this material earth. Such people describe life hereafter with such material things that they desire to possess here or derive joy in using. This is what sustains their hope for the future known as eternity.

People that have some reasons not to accept the belief in life hereafter desire to achieve their happiness here and now. Some of such people engage wrongfully in those activities that bestows on them short moments of happiness. That is, greedy acquisition of wealth, alcoholism, sex, power, position and others. These people repeatedly engage in these acts hoping to derive happiness anticipated. Unfortunately, they engage in these acts to the detriment of other people's feelings and situations. Some pretend to derive happiness in the acts to the admiration of others that harbour similar thoughts.

However, such items as stated above could bring about long term happiness if not abused. The abuse of the items may occur when used in a manner that inflict pain on others or withhold the manifestation of the full potential of others such as conversion of public fund, rape, etc. It means that one could be truly happy only when the source of happiness makes other people feel happy as well. Happiness is infectious and ought to be shared. Consider the impact of a smile to someone sad. Without knowing the reason for the smile, it is likely that the sad person may cheer up and possibly smile back. Similar thing may occur when one shares one's food with the hungry. The small food shared could ignite hope turning a bad situation into happiness.

One may not have to wait for life hereafter to enjoy happiness to the fullest even when that could still be desired and pursued with vigour. It is possible here but requires change of attitude. Some attitudes that promote long term happiness are love, optimism, abiding by the laws of the land, respect for one another irrespective of

creed or tribe, contentment, not comparing self with others, tolerance for one another irrespective of personal standards and others.

The attitudes that promote happiness cannot be learned in a single day. The desire and commitment to adopt them would make its adoption much easier. One may consider seeking help in difficult moments. This may not be much of a problem to those that are affiliated to known religions since it would appear that every religion prescribe high standard of living that would promote happiness if adhered to. Adherent to principles that bring about happiness promote personal and organisational success.

3.2 EFFECT OF SADNESS

Sadness is a feeling of being sad. One experiences this feeling when events occur or fail to occur as expected. These events may be within or outside one's control. When it is within one's control, one may want to devise other means of managing the events to give expected results. However, when the events are outside one's control, one may resign to fate. This is where belief in super natural forces comes in.

The events that usually bring about sadness are so many. Some of them are disappointment, unkind words, feeling of being unloved, lack of appreciation, perceived denial of promotion or opportunities and others. This feeling manifests in attitude and facial expression. The individual experiencing the feeling of sadness may look downcast while the face is denied expression of smile. Sometimes, the burden the feeling places in one could make one's heart heavy. This burden could be relieved through cry but only the female folk appear to explore this window.

The feeling of sadness presents itself as a hopeless situation on the onset. This feeling persists as long as the individual still holds it as such. However, a feeling of relief would come when someone experiencing sadness begin to devise a solution to go about the events that created the feeling of sadness. This form of relief that is brought about by rationalising the situation could work for everyone.

Sad feeling could linger for a while if not properly dealt with. The feeling stimulates other related moments that created such situations in the past to reinforce the attitude of hopelessness. These recalled imaginations may not have link with the

current situation but help to magnify it. This could degenerate into violent anger which may further worsen the situation.

The long term impact of sadness on man is negative. It creates imbalance in the body system giving room for one's health to degenerate. Acute ailment that may defy medical attention may begin to manifest since the body system may have attuned to negative state. It may be expedient for anyone experiencing sadness to find a way of loosening up in order to dissipate the feeling.

The causes of sadness are usually historical in nature and could come in form of statements or actions. The statements or actions that took place creating a feeling of sadness could be turned into action plan for one to make future event beneficial. This could be done through behavior modification in a more positive direction. For instance, when a business partner fails to meet obligation and there is lost sales, this could prompt one to explore possibilities of engaging new partners that may be more responsible and beneficial. There are so many events in history that people felt sad about that turned out to be saving grace such as missed flight that turned out to be missed accident and others.

Sadness is a feeling that is interpreted as such by an individual. The interpretation of the feeling is benchmarked on past experience that is not beneficial to the individual. Therefore, one may have to pay attention to circumstances that makes the feeling manifest. The ability to identify them would make one better disposed at facing the situation when it occurs. This would reduce the feeling of sadness experienced by an individual at every single moment.

3.3 EFFECTS OF FEAR

Fear is a feeling that something bad may happen. This feeling has different intensity in individuals on a particular issue. One's experience and knowledge determines how one behaves when such feeling occurs.

Many people experience fear on daily basis but only few pause to understand the cause before behaving in a certain manner. Some people may even deny associating their reaction to fear. Other persons may even over react making them regret their actions later. Fear could manifest itself in screaming, aggression, fighting, killing etc.

Fear could emanate from anything around one. Some of the things that give rise to fear are death, disapproval of action,

loss of job or loved one etc. For instance, the fear that a dog may bite and kill one could make one run away when one comes in contact with it. When such fear does not exist, it is likely that one may treat dog like other domestic animals such as goat or even approach it with love regarding it as a pet. Similar thing happens when one entertains fear that one's religious practices, keeping late at night, going early to work, promotion at work place and others may be disapproved by respected personalities or authorities.

Fear is an emotion which may prompt action before rationalisation of the cause. It is expedient that one should take time to understand how one's body reacts when one experiences fear. For instance, fear could make one feel pain in the heart, stomach and cold in form of goose pimple. A close attention on this would show that one could notice this irrespective of what caused the fear. Getting conversant with this helps one respond appropriately to fear.

Fear could make one not to engage in beneficial activities. This may also happen in organisation where relationships between employees and management are inhibited by fear. Where fear exists, personal or organisational goals may not be achieved. It would imply that genuine success may only thrive where fear is absent.

3.4 EFFECTS OF ANGER

Anger is a feeling of hostility towards an act that does not meet one's expectations. The feeling is triggered by emotional judgment which evaluates actions based on already internalised benchmark. It manifests itself through facial, verbal and/or physical expression. The manifestation may occur before one rationalises the act. The rationalisation justifies or condemns the manifestations of anger.

The manifestation of anger dissipates the feeling making the individual feel relieved. However, some manifestations could be very violent while others are not. The very violent form of showing anger may not be approved by the society because of the impact on other matters. Such form could inflict pain which may result in bodily harm or death.

There is no family, group or organisation that can thrive when one or more members continually express anger in violent form. It may not matter the position such person occupies, anger hinders progress. It would imply that no organisation would engage

or retain anyone with known history of violent anger. This would appear to be the reason why people try to hide their anger which may occur once in a while in relating with other people in organisational environment. The consequence of violent or recurrent anger is loss of personal positive relationship or business opportunities for organisations.

4.0 MANAGING SELF EMOTIONS

Emotions such as happiness, sadness, fear and anger can be managed by self. Management of emotions commences when one understands when they begin to manifest. Failure to understand this would lead to poor management. Effective management of emotions would impact on behaviour through which the emotions are expressed.

A situation of happiness could make one engage in impulsive spending, singing, dancing, smiling or laughing as the case may be. It is possible also that one that experiences occasion of happiness may indulge in reckless driving exposing self to danger. Other positive or negative behaviour could emanate from occasions of happiness. A man once said that the first time he came in contact with huge sum of money which he used in buying his first car; he locked himself in the house and used cane to flog it. This may sound ridiculous but it happened. It was an expression of happiness. Such situations could be avoided if one interprets signs that signify happiness and adopt desirable ways to express it.

The above scenario is applicable to other emotions, hence it is imperative to choose behaviour patterns to let out emotions. The appropriate behaviour to express whatever emotions may be learned over time until one begins to express it unconsciously. This would then become the behaviour of such individuals. This implies that behaviour change is possible in whatever circumstance as long as there is willingness and commitment to do so.

Experience shows that those that exhibit high characteristics of self emotional management are usually admired by others and present themselves as good leaders. Such persons are calm in the midst of difficult circumstances, positive at resolving whatever problems and demonstrate their willingness to learn from every situation. When one is described by other people as humble in the midst of success, courageous in situations of fear, calm on

occasion of anger and forgiving in times of sadness would not imply absence of the respective emotional feeling but sign of successful emotional management. This is the case when one applies self to effective management of one's emotions.

Some people have learnt how to control anger. These people do not suppress it but manage the manifestation. Suppression of anger may not be good for any individual. Anger management makes it possible for one to express it in mild form that does not bring harm to self or others. For instance, one could withdraw from public on occasion of anger until the feeling subsides. For one to achieve this, one has to pay attention to body signs that signify a feeling of hostility by identifying the body signs that would make one alert to control manifestations of anger.

Everyone has the capacity to manage anger. Anyone that thinks that anger management is difficult may reflect on past life. There could be a particular situation where a statement triggered anger but same statement elicited smile in another occasion. For instance, when a wife says, 'you chronic womanizer' to a husband and the man's friend makes the same statement to him while they are hanging out. The reaction would be different to each party. One could understand that the statement may not be responsible for the anger but one's interpretation of the occasion based on one's expectations.

Therefore, one that intends to manage anger would start with self review of attitude towards future event. For instance, telling lies is offensive to everyone. The matter becomes worse when someone that appears to have never told lies does it. The rationalisation of reasons for telling lies appearing beneficial could mitigate negative reaction on such act in the future. Supposing a spouse comes back very late pretending to come from office without giving a call, there would be anxiety and feeling of anger which may manifest in any form. The manifestation may be mild if one evaluates the circumstances holding the spouse back as beyond the person's control. Otherwise, late coming could result in physical combat. Similar thing could happen to one that has no tolerance for opposing opinion.

Management of anger is learnable. Over the years, some people have devised means to manage anger such as holding water in the mouth to avoid verbal reaction to situations. Such tools work but it takes time

for the habit to form. One can set anger management as a goal to be achieved over a period of time. This would make it easier and more realistic.

One could learn to manage fear like every other emotion such as anger, happiness and sadness. Teaching people the act of management of fear was successful in the case of Ebola Virus hence people learned how to respond in particular manners. In that case, there was adequate information which prevented panic and confusion. It would imply that adequate and timely information may arrest fear before it manifests while absence of information may aggravate it.

4.1 INTERPRETING PEOPLE'S EMOTIONS

A clear understanding of one's emotions would give one a false impression of understanding the emotions of other people. The approach of substituting one's emotions for that of other people would make one conclude erroneously on the feeling of others. The best one could do to get close to what other people feel is to empathise. Otherwise, the accurate feeling of others can only be obtained through questioning.

It would be correct to say that everyone experiences the four basic emotional feelings. However, some of the feelings that signify the emotions may not be noticed by a third party. It is only when such hidden feelings are communicated that the third party can empathise placing oneself in situation that promote understanding similar to that being experienced. Doing otherwise may be interpreted as rash.

Wrong interpretation of people's emotions could elicit ill feelings. For instance, kind gestures by opposite sex could be wrongly interpreted as a sign of wooing. Action from this point of view would meet unexpected reactions which may spoil palatable relationship that one may have enjoyed over the years. This is the essence of communicating in an open manner which would enable individuals concerned to express self freely without running the risk of being misunderstood.

Understanding one's emotions is a basic step to having a glimpse of what happens to other people. Interaction with other people through effective communication would make other people let out their emotions to be known. Once the emotions are known, they can be properly interpreted

or perhaps managed.

4.2 MANAGING PEOPLE'S EMOTION

Emotions are infectious and could be transferred to other people with ease. One could make another person smile by smiling to the person. One can also talk, put fear, anger or create sadness into another person. A premeditated intention to make another express whatever emotion may be considered as managing another's emotions. The intention may be positive or negative but the result may be the desired outcome.

A clear understanding and effective management of one's emotions could give one a clue on how to manage the emotions of others. Managing the emotions of other people to bring about positive emotional expression could be referred to as emotional management while doing so in a negative manner may be referred to as manipulations.

Manipulation is the tool applied by the politicians to win sympathy for themselves or evoke hatred amongst the masses. They are able to create chaos in the society by applying this tool. Selfish persons in the family, groups or organisations that understand the operation of this tool can apply it for personal gain. However, this tool may not yield expected result on individuals that have clear understanding of their emotions and hold effective control over them.

Effective management of emotions of other people could stimulate love, trust and other virtues in groups, organisation and societies where they are applied. However, this would require open communications among the parties concerned. This is to avoid possible misunderstanding and misinterpretation of feelings.

CONCLUSION

The knowledge of emotional expression is very important to everyone that wants to achieve success in life. It would afford one the opportunity to recognise feelings and how they impact on behaviour. Such awareness would enable one to predict behaviour, manage it and mitigate the impact on self as well as other people thereby making the family, work place and the society more congenial for peaceful coexistence. ●

★ **Mr Nwadei is the Chairman of Nwadei Foundation, Asaba.**

Exercise, Fitness and Health

— *It's Regularity, Not Intensity That Counts*

A 40-year study of some 17,000 men found that those who exercised as little as an hour or two a week (using up about 500 calories) had death rates 15 to 20% per cent lower than those who did not exercise. Those who exercise vigorously (burning 2,000 calories a week) had death rate one third lower. Other studies have reached the same conclusion.

Regular exercise reduces the risk of high blood pressure, coronary heart diseases, and perhaps even cancer. Regular exercise also helps in the fight against overweight, low self esteem, stress, anxiety and depression. The reason regular exercise seems to do all of these is that it raises a person's physically fit. While fitness does not guarantee health, a physically fit body is less likely to succumb to ailments. It also recovers faster when it does get ill. Physical fitness may contribute to one's mental and emotional well-being as well as slow down the effects of aging.

What and how much?

The usual questions about exercise are, what kind of exercise, and how much? That really depends on what one wants to accomplish. An Olympic athlete must train long and hard to remain fit. For most people, the goal may be to lose weight. For them, most health experts agree 20 to 30 minutes of exercise three times a week is needed to keep fit. But what kind of exercise?

Fitness involves one's physical capacity; age and endurance. Exercise should aim to elevate one's rate of heartbeat and breathing during the work out. This is what is commonly called aerobic exercise. Running, brisk walking, aerobic dancing, rope skipping, swimming, and cycling are common forms of aerobic exercises, each with its advantages and disadvantages in terms of convenience, cost of facilities and equipment, chance of injury, and so on.

Other forms of exercises strengthen the muscles and shape the body. These include workouts with exercise machines and weights. Such exercises increase one's physical strength and endurance and can

improve one's posture and appearance as well – all pluses in the pursuit of a fit body.

What about the callisthenic exercises that most of us remember only two well from our school days. They did us a lot of good, whether we appreciate them at the time or not. Stretching, turning and twisting up the body, jumping as well as kicking, speed up the heart rate. Sit-ups, push-ups and chin-ups strengthen the muscles. A great advantage of such stretching exercises as one ages is that one may remain limber and able to continue being active.

flexibility and agility.

With so many forms of exercise to choose from, the secret of success lies in picking one or a combination of them, that you would enjoy. This will help you to stick to your intentions, since studies show that from 60 to 70 per cent of adults who start to exercise quit within a month or so. Remember that it is the regularity, not just the amount of exercise that matters. By engaging in different kinds of exercises at different times, you will also give your body well-rounded development, becoming fit in



Finally, there are the recreational sports – tennis, racquetball, softball, skating, and many other activities. The advantages of such activities are that they are more fun than monotonous forms of exercises and therefore may be the element needed to make an aerobic exercise more regular. Depending on how skillfully and how vigorously one pursues them, such activities may or may not provide the sustained level of exertion, as do other forms of exercise. Nonetheless, they help condition the body, improve coordination, and enhance

a balanced way.

Your choice of activity should also be governed by your age and your general condition of health at the outset of course; those with health problems should consult with their doctors before embarking on an exercise programme. In any case, start out slowly, and increase as you make progress. Learn about the forms of exercise of your choice – there is no shortage of books and instructions on the subject – and you will both enjoy and benefit from your efforts. ●

★ *Culled from Awake*

FROM OTHER BODIES

IFAC Global Survey: SMP Accountants Expect Advisory Services & Tax to Drive Business

...Optimistic about 2015 Growth

Small- and medium-sized accountancy practices (SMPs) around the world are generally optimistic about the year ahead, according to the results of the 2014 IFAC Global SMP Survey. Out of four areas — audit and assurance; accounting, compilation, and other non-assurance/related services; tax; and advisory/consulting services, tax and business advisory were nearly tied in terms of pace of expected growth with about half of respondents expecting at least moderate growth in each area.

While SMPs have long engaged in compliance-driven tax engagements for their clients, business advisory is emerging as an area of increasing importance to SMPs' growth. In 2013, advisory ranked third out of the four service areas in terms of pace of projected growth, while in 2014, advisory (13%) edged out tax (11%) as the area most likely to drive substantial revenue increases in the coming year.

The results also indicate that advisory is now commonly offered by SMPs, as 93% of respondents provided some form of advisory in 2014. Tax planning is the most common type of advisory service by a wide margin, suggesting that tax services — whether in the realm of compliance or advisory — are driving revenues overall.

"The findings from the 2014 Survey are critical to increasing, and acting on, our understanding of this critical sector," said IFAC SMP Committee Chair Giancarlo Attolini. "Over 60 IFAC member organisations and regional bodies participated in the survey, allowing us to collect an even broader sample of responses than in previous years, while contributing to our mission of collaborating with our member organisations in building and supporting a global community of SMPs."

Additional findings from the survey included:

- The regulatory environment and competition topped the list of environmental factors most likely to impact SMPs over the next five years;
- Business intelligence/data analysis software and customer relationship management/document management are the two types of technology most likely to impact SMPs in the next five years; and
- While only 27% of SMPs are currently part of a network, association, or alliance, another quarter are considering joining one.

The survey also included a number of questions about SMPs' clients — typically small- and medium-sized entities (SMEs). Key findings included:

- While the majority of respondents (87%) reported that at least some of their SME clients seeking financing experienced difficulty in 2014, for most respondents, a relatively small portion (less than 25% of total clients)

experienced difficulty;

- Over half (54%) of respondents reported that at least one of their SME clients experienced some type of financial crime, but volume of crimes overall was low, with most respondents indicating that less than 5% of their total clients experienced a crime; and
- Many SMPs are part of the globalisation trend; 44% of total respondents have at least 5% of clients that operate internationally, while 69% of the largest SMPs (those with 21+ partners and staff) have at least 5% international clients.

The 2014 IFAC Global SMP Survey was conducted in 21 languages between November 3 and December 29, 2014 and received 5,083 responses from 135 countries. The survey was undertaken in collaboration with lead researchers from the University of Dayton (US), and the report was authored by professors Timothy and Marsha Keune. IFAC wishes to thank the many member and regional organisations that helped with translation and distribution of the survey.

Some regions, countries, and larger SMPs were not well represented in the survey results; caution should be exercised when attempting to generalise survey results to specific countries, specific regions, or SMPs of all sizes.

IPSASB Welcomes Governance Review Group Recommendations

The International Public Sector Accounting Standards Board (IPSASB) has welcomed the IPSASB Governance Review Group's final recommendations on the future governance of the IPSASB, released today. The recommendations include the establishment of a governance body — the Public Interest Committee — to ensure that the public interest is served by the IPSASB's standard-setting activities, as well as the establishment of an IPSASB Consultative Advisory Group.

The Review Group was formed to assess the IPSASB's governance arrangements and to make recommendations to strengthen these processes and structures. It is chaired by the International Monetary Fund (IMF), Organisation for Economic Co-operation and Development (OECD), and World Bank; members are representatives from the Financial Stability Board (FSB), International Organisation of Securities Commissions (IOSCO), and International Organisation of Supreme Audit Institutions (INTOSAI).

"The IPSASB has a growing reputation as the international standard setter for the public sector, and its standards are increasingly considered benchmarks for public sector financial reporting," noted IPSASB Chair Dr. Andreas Bergmann. "The Review Group's recommendations on the board's governance will provide further support to these trends by assuring governments and other stakeholders that the board is independent, that it acts in the public interest, and that its standards result from widespread and carefully considered comment from interested stakeholders around the world."

The IPSASB Review Group has developed draft Terms of Reference for the Public Interest Committee and plans an inaugural meeting of the Committee by the end of March 2015. ●

ICAN Inaugurates Jalingo and District Society

The Jalingo & District Society of the Institute has been inaugurated. The ceremony was performed by the 50th President of ICAN Mr. Chidi O. Ajaegbu.

Speaking at the event, Mr. Ajaegbu said the formal inauguration of the Jalingo & District society marks a new dawn in the Institute's efforts to spread the gospel of accuracy and integrity in the northeastern part of the country. He commended the old Yola/Jalingo & District for its foresight and steadfastness in pursuing the establishment of the new district.

He implored the new executives not to compromise their professional integrity and hard work on any account as this could tarnish the image of accountancy profession. He reminded them that the society was not an avenue to pursue personal interests but for the promotion of cutting edge professional services.

He therefore asked the district exco to enhance their members' participation in professional development programmes such as conferences, seminars and training as a way of upgrading their skills, promising that ICAN would provide the necessary assistance in form of books and finance to boost the new district.

Hajia Zulaihat Aminu Bello, ACA was decorated by the President as the first Chairperson of the District. Other executives sworn in



ICAN President, Mr. Chidi Ajaegbu, FCA, decorates the pioneer Chairman of ICAN Jalingo & District Society, Hajia Zulaihat Aminu Bello, ACA, with her insignia of office, while Council member and Coordinator of the District, Chief Oye Akinsulire watches in admiration

include Eugenia Adamaka Nwanya (Vice Chairman), Olayinka Gabriel (Secretary), Ajani Gbenga Abubakar (Financial Secretary), Ngozi Eucharia Anaeto (Treasurer), Umar Ben (Assistant Secretary) and Adiga Maurice Agor (Public Relations Officer).

Board Chair Highlights Benefits of Belonging to Taxation Faculty

The Chairman, Taxation & Fiscal Policy Management Faculty of ICAN Mr. Bamidele Julius, FCA has implored members to join the Faculty to enjoy numerous benefits such as sharing of technical knowledge, networking opportunities and access to practical solutions to professional challenges.

Mr. Julius who spoke at the Forum of Members of the Faculty said the gains also include the opportunity to be recommended as experts for possible assignments when the

need arises. He reminded ICAN members that they were required to join at least one out of the seven existing faculties and expressed the willingness of the Taxation Faculty to welcome willing members.

He said the faculty was committed to capacity building as part of its contributions to the well-being of the nation, pointing out that since its inception in 2009 the forum had been able to create windows of opportunities for deepening available knowledge, technical support, sharing experiences and networking among members thus significantly impacting the quality of work as tax practitioners.

The forum with the theme "dividend tax rule and withholding tax administration," presented opportunity for participants to share knowledge and experiences as well as enhance their professional skills as tax practitioners.



(From right) Prince Olufemi Aborowa, FCA, Member, Taxation & Fiscal Policy Management Faculty Board of ICAN discusses with Mr. Ajayi Bamidele, FCA, Board Chairman while Mr. Femi Faniyi, FCA also a Board Member and Mr. Fatai Folarin, FCA, Lead Partner at Deloitte Nigeria pay attention at the Forum for the Faculty Members held in Lagos recently

Ajaegbu Implores NfPOs to Embrace Accounting

Inefficiency, misappropriation and lack of succession plan have been identified as some of the problems plaguing Not-for-Profit Organisations (NfPOs) in Nigeria.

The golden jubilee President of ICAN Mr. Chidi O. Ajaegbu made this observation recently at the one day workshop on Record Keeping, Financial and Non-Financial Reporting for NfPOs Organisations organised in Abuja by the Strategy, Advocacy and Performance Tracking Committee of ICAN.

Declaring the workshop open, Mr. Ajaegbu averred that NfPOs owe society a proper stewardship of the resources they mobilise; pointing out that Accounting would help them fulfill that role.

He noted that NfPOs have grown in number and significance in Nigeria over the years due to the significant

roles they play as alternative to government as influencers of development.

The president described the workshop as timely as it provided opportunity for players to interact with regulators of NfPOs.

He explained that since their non-profit nature encourages stakeholders to entrust them with enormous resources to pursue projects to enhance sectors independent of government, it is imperative for NfPOs to run operations in a professional manner.

Okwuosa Presents Paper at ICAEW Conference

A Fellow of the Institute and member of the Governing Council, Mr. Innocent Okwuosa was recently invited by the Institute of Chartered Accountants in England and Wales (ICAEW) to present a paper at its annual conference.

The paper entitled *"Integrated Reporting Information and Its Decision Usefulness: UK Evidence"* discussed a new reporting model known as Integrated Reporting (IR). According to the paper, the model is expected to bring together the diverse but currently disconnected strands of reporting into coherent, integrated whole, and demonstrate an organisation's ability to create value now and in the future.

To read the full presentation, you can go to: <http://www.icaew.com/en/technical/sustainability/rethinking-capitals/inspector-perspective>

ICAN Recounts Contributions to Nation's Economy at 50

As the Institute kick-starts the celebration of its 50th anniversary, its 50th and Golden Jubilee President, Mr. Chidi Ajaegbu has declared that the foremost professional body has made enormous contributions to the economic growth and development of the nation in the fifty years of its existence.

Ajaegbu made this disclosure recently during the 50th anniversary press conference held at ICAN Secretariat, Victoria Island, Lagos.

According to him, pursuant to the Act that gave ICAN pioneering power to set standards and regulate the practice of accounting in Nigeria, the Institute has so far trained and certified over 39,000 chartered accountants, who are variously engaged in value creation in all sectors of the economy.

On the quality of the Institute's examinations, Ajaegbu said the integrity of the processes involved has never been compromised since inception. He added that in order to facilitate the production of middle level manpower needed for development; ICAN introduced the Accounting Technicians' Scheme West African (ATSWA), which has trained more than 13,500 accounting technicians since its

inception in 1989.

"As part of its responsiveness to the Nigerian people, 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," he declared.

Ajaegbu disclosed further 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.

On contribution to educational development, the ICAN President disclosed that the Institute has accredited over 125 tertiary institutions across the country in order to increase the number of candidates qualifying as chartered accountants while sustaining its high standard.

Apart from this, other initiatives put in place by ICAN to boost educational development, include the establishment of a Tuition House Support Fund in the sum of fifty million naira was established to make funds available to accredited tuition houses to improve their training facilities; building of 250-capacity lecture theatres in some leading universities in Nigeria; establishment of Student Special

Project (SSP) to address the dearth of Chartered Accountants in areas perceived to be educationally disadvantaged in the country.

However, one distinguishing function of ICAN to the public it serves is attestation function. This statutorily requires that accountants should attest to the truth and fairness of the records of stewardship of the board of directors, as statements presented to shareholders without the auditor's verification lack credibility.

As part of its contributions to a corruption-free society, the Institute recently created a N50 million Whistleblowers' Protection Fund, in order to ensure high moral, financial, ethical and legal standards by its 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 and to assist in litigation expenses, when alarm is raised on financial impropriety by public or private establishments, individuals or groups within the country.

In conclusion, the ICAN President posited that the Institute has not relented in its call on government to halt the trend of fragmentation of professional accountancy bodies in the country. He emphasised that with ICAN and ANAN that are recognised by the country's law, there's no aspect of accountancy that could not be adequately covered.

ICAN Faculty Trains Members on the 'New Audit Opinion'

The Audit, Investigations and Forensic Faculty of the Institute organised a training programme for its members recently to enhance their skill and competence in this specialised area of the



profession.

According to the 50th President of the Institute, Mr. Chidi Ajaegbu who declared the forum open, the need for specialisation and being a master of a niche segment of the accounting profession can never be over-emphasised, noting that the global trend is for professionals to have core areas of competencies where they will be known as experts to be selected for assignments and jobs for best practices.

While welcoming the participants, the Chairman of the Board of the Faculty, Mr. Bolaji Medessou assured members of the benefits that would accrue since the audit opinion is being amended to enhance auditor's reports for investors and other users of financial statements. He said the most notable enhancement is the new requirement for auditors of listed entities' financial statements to communicate "Key Audit Matters" — those matters that the auditor views as most significant, with an explanation of how they were addressed in the audit.

According to one of the paper presenters, Mrs. Uchenna Erobu, Key Audit Matters are those that professionally, are of most significance in the audit of the financial statements of the current period.

Ajaegbu Tasks New Council Members on Quality Service Delivery

The 50th President of the Institute, Mr. Chidi Ajaegbu has charged the new members of the Governing Council as well as Panel members to strive to leave their footprints on the sands of time through exemplary service.

This charge was given at a retreat for ICAN Council members and ICAN Investigative Panel held in Lagos recently. The retreat which was organised by the Legal Services Directorate was meant to acquaint the new members of Council and Panels with the various rules and procedures guiding their operations.

While welcoming participants to the retreat, the President observed that ICAN prides herself not only in the robustness of her disciplinary processes but also in conformity with best practices in terms of fairness and objectivity.

He said, "We do not brook any sacred cow. In fact, any member found wanting, irrespective of how highly placed, is usually brought to justice in line with the Institute's enabling Act."

While congratulating all the new members for accepting to serve on the various panels, Ajaegbu said, "it is expected that after this orientation, the pace and quality of investigations you will be carrying out on complaints brought to your attention will be faster and more thorough such that turn-around time of cases will be enhanced."

ICAN's 52nd District Berths in Canada

The Institute has inaugurated the Canada & District Society thereby bringing the number of district societies abroad to four and 52 overall. Other district societies outside Nigeria include those in USA, United Kingdom and Cameroon.

Speaking at the inauguration, the golden jubilee president of the Institute Mr. Chidi Onyeukwu Ajaegbu said that district societies have helped to promote the Institute and the accountancy profession in their spheres of influence. "District societies serve as liaison offices to bridge the information gap between the Institute's Secretariat and members," he explained.

He pointed out the importance of the societies to include providing avenues for members to interact, exchange ideas and discuss issues of professional, national and international interests, as well as to galvanise members to form common positions on matters of peculiar relevance to their host communities.

Mr. Ajaegbu said the creation of the new district would give interested members access to information on ICAN and the accountancy profession more than ever. He implored the district executives to discharge their various professional engagements with integrity, accuracy and strong ethical ideals bearing in mind that if these virtues were compromised for any reason, the entire accountancy profession would be brought to disrepute and the public trust in the profession would also be betrayed.

The Canada District society executives sworn in include the Chairman Mr. Ibukun Tony Arulegba, FCA; Vice Chairman Mr. Kola Oladimeji, FCA; General Secretary Mr. Abiola Oseni, ACA. Others are Treasurer Mr. Toba Dada, FCA; Social/Publicity Secretary Mrs. Ayodele Afolabi-Odetunde; Financial Secretary Mr. Ayoola Blessing Familusi, ACA and Technical Secretary Mr. Joshua Morawo, ACA. Two Ex-Officios and one Assistant Secretary were also sworn-in.

APBN Brokers Peace Between CITN and ICAN

The Association of Professional Bodies of Nigeria (APBN) has settled the rift between the Institute of Chartered Accountants of Nigeria (ICAN) and the Chartered Institute of Taxation of Nigeria (CITN) over who is authorised to regulate taxation practice in the country.

APBN, which is the umbrella association for professional bodies in Nigeria initiated and supervised a mediation process which led to the withdrawal of the case at the Supreme Court.

A Memorandum of Understanding (MoU) and Terms of Settlement (ToS) were signed recently by the two bodies at the APBN Secretariat in Lagos paving way for the implementation of the out of court settlement. The MoU and ToS were signed by President of ICAN Mr. Chidi Onyeukwu Ajaegbu, and CITN President Chief (Dr.) Mark Anthony Dike.

President of APBN Mr. Gabriel Foluso Fasoto commended the leadership of the two Institutes for their commitment to finding a way out of the quagmire. He thanked the governing councils of both institutes for working assiduously to give peace a chance after years of disagreement. He explained that there would be a working agreement under which CITN would continue to regulate taxation profession while ICAN would lend hand towards the achievement of the goals of the taxation profession.

In his own remarks, ICAN President Mr. Ajaegbu said the amicable settlement was important to him because it was one of the promises he made at his inauguration as the 50th President of the Institute. According to him, the settlement will impact enormously on the going concern status of both Institutes as they

would henceforth use the resources at their disposal to develop their respective bodies,” adding that he looked forward to a more rewarding relationship between ICAN and CITN.

Chief (Dr.) Dike, the CITN President on his part, described the signing of the peaceful agreements as a solemn occasion that heralds a new dawn for both bodies.

Following disagreement as to who is authorised to regulate taxation profession in Nigeria, the CITN approached a Lagos High Court in 2005 to assert its authority as the only body empowered by law to regulate taxation profession in the country and whether ICAN members who are not registered by CITN could practice taxation in any form.

The case has since dragged on to the Court of Appeal and was at the Supreme Court before the APBN intervention leading to the out-of-court settlement.

ICAN, CIPFA Sign MoU on High Quality Public Financial Management in Nigeria

The Institute and the Chartered Institute of Public Finance and Accountancy (CIPFA), United Kingdom have signed a Memorandum of Understanding (MoU) to strengthen public financial management in Nigeria.

The MoU outlines the future co-operative relationship between the two Institutes which seeks to improve the governance of public finance within the country and helps to improve the training options for those in the accountancy profession. The collaboration will also pave the way for dual membership for members of ICAN and CIPFA.

The framework of the MoU reflects the overlapping interest of both bodies and their mutual desire to share expertise, skills and experience to further the cause of good financial management.

The signing ceremony took place in United Kingdom on March 19, 2015 with Rob Whiteman, CIPFA's Chief Executive in attendance. The President of ICAN, Mr. Chidi Ajaegbu and The Registrar/Chief Executive Mr. Rotimi Omotoso and some other top officials of ICAN were also in attendance at the occasion.

According to CIPFA's Chief Executive, Rob Whiteman: “Both CIPFA and ICAN are committed to serving the public interest through good public financial management, therefore it is welcome news that both bodies have come together to form a new collaborative relationship. Through working together both our leading Institutes will be able to share information, skills and expertise. It will also develop the accounting profession in Nigeria's public sector which will have great benefits for the country's citizens.”

Commenting on the MoU, the President of ICAN, Mr. Chidi Ajaegbu said: “ICAN working together with CIPFA is in the interest of the public good. There will be great improvement in the financial management of the Public Sectors of both countries as this relationship is mutually beneficial to both Institutes. ICAN has with this relationship, gained another milestone as the ‘First’ in the Sub Saharan African region to go into a relationship of this nature. This is an exciting opportunity for both ICAN and CIPFA to continue to make the difference in the practice of Public Finance Management in Nigeria. We at ICAN are particularly excited that

this MOU is coming shortly after our Institute was approved by IFAC to provide peer-to-peer capacity support services across DFID focal Countries.”

Enugu District Counsels Secondary School Pupils to Embrace Accounting

The Enugu District Society of ICAN has implored secondary school pupils to embrace the profession to enable them contribute their quotas to the development of the human race.

At a career counseling for the pupils which held at the Federal Government College, Enugu, the Chairman of Enugu & District Society of ICAN, Elder Andy Epie-Sona told the pupils that membership of ICAN opens doors to a wide range of career opportunities in all areas of industry, commerce, finance and manufacturing sectors, pointing out that such opportunities are available locally and internationally.

He noted that several ICAN members occupy top decision making levels as chief executive officers, finance directors, accountants-general, auditors-general and finance commissioners and ministers in the country and asked the pupils to take after them.

He noted that certificate awarded by ICAN is one of the leading finance and business certificates which allows the holder to specialise in any technical aspect such as forensic accounting, corporate finance, taxation and audit, among others.

Over 400 students attended the event.

ICAN, CIS, NBA Partner on Nigeria's Socio-Economic Development

The Institute of Chartered Accountants of Nigeria (ICAN), the Chartered Institute of Stockbrokers (CIS) and the Nigerian Bar Association (NBA) have signed a five-year collaboration agreement to enhance Nigeria's socio-economic development.

To drive the tripartite agreement, the Presidents of the three frontline professional bodies, Messrs Chidi Ajaegbu, Albert Okumagba, Augustine Alegeh and top echelon of the bodies held several meetings to fine tune terms and conditions to actualise the innovation tagged “The Project”.

Under the renewable five-year agreement, each party shall cooperate in the promotion and exploitation of “the project” and all associated areas of total development. The agreement covers all areas of mutual interests for enhanced development of the Nigerian capital market, the financial and legal system as well as the entire socio-economic life of Nigerians.

It was also agreed that each party should ensure prompt execution of any assignment that would bring about overall development of Nigeria's economy. Each party also agreed to contribute to efficient flow of information and access to relevant data.

In the spirit of transparency, each party shall inform others in the project, of relevant communication it receives from third parties in relation to the initiative. ●



ICAN President, Chidi Ajaegbu (middle) and his entourage in a group photograph with members of UK District Society of ICAN

ICAN Inducts Fellows, Associates in London

...as UK District Holds 2nd International Accountants' Conference

Experienced chartered accountants plying their trade in the United Kingdom who had met ICAN's requirements were inducted as Fellows of the Institute in a colourful ceremony held in London recently. Also those who have completed their professional examinations and have met the practical experience requirements were inducted as Associates.

At the induction ceremony which was the high point of ICAN UK International Accountants' Conference, the Institute's President Mr. Chidi O. Ajaegbu implored the new Fellows and Associates to exhibit the ideals of expertise and ingenuity which chartered accountants are noted for. He called on them to demonstrate these ideals and thrive on the virtues of their profession through exemplary conduct.

"In line with our tradition of high ethical disposition, I charge the distinguished Fellowship award recipients today to continue to fly the profession's flag of honesty, integrity and excellence with distinction in your respective spheres of influence, no matter the odds."

He called on them to positively impact the governance process of the country with their expertise especially as it affects the adoption of the International Financial Reporting Standards (IFRS) in the nation's reporting system both in the public and private sectors.

He reminded the new chartered accountants that the Institute imposes an onerous responsibility of excellence, honesty and transparency which are expected to reinforce all personal and professional relationships with clients and the public on them.

"Since, whatever you do or fail to do have pervasive implications

for the image and reputation of both the profession and our Institute, it behoves on you to conduct yourself, at all times, in a manner that will demonstrate your unequivocal commitment to the ideals of integrity, transparency and professional excellence," the President said. He implored them to set their goal always on how they can continue to play proactive and positive roles in enhancing the value-creating ability of their organisations in their capacity as chartered accountants.

Welcoming the ICAN President and his team, inductees and participants to 2nd ICAN UK International Accountants' Conference and Induction of Fellows and Associates the Chairman of ICAN & UK District Ms. Flora Njoku, congratulated the new Fellows and Associates on their attainment.

She said the District was fully focused on members' mobilisation to attract ICAN members in the region who were not part of the over 500 members in the UK register. She called on such members to come and join their colleagues.

The ICAN UK International Accountants' Conference with the theme *"Electronic Payment Systems: Drivers of E-Commerce,"* featured seven technical papers. Mr. Bob Giles who did an *"Overview of the E-payment System in Nigeria and the Practical Approach by Diamond Bank,"* noted that banking has transited from cash-based to cashless and card-based, pointing out that this had resulted in less use of banking halls and increased use of card payments for telephone, online and point-of-sale transactions, increase in use of mobile point of sale and mobile App banking among others.

In her own paper, Henrietta Abraham presented a *"Review of*

E-commerce: The Place of Developing Countries,” positing that the increase in online commercial transactions requires commensurate legislation since this affects online purchases. She noted that clients can seek legal action against an online seller in Nigeria but implored consumers to look out for unfair terms on refunds and returns before buying online and also to try another seller if they were not very sure.

John Tani Obaro on his part explored the *“Electronic Payments and Collections Systems: Impacts on Effective Service Delivery,”* and submitted that e-payment would contribute 3.9% to Nigerian economy by 2017. He noted that multiple payment channels and users are embracing the cultural change and that e-payments are geared towards cost savings and increasing profitability.

Speaking on *“Shareholders/Managers Ownership of Companies and the Associated Risk of E-payments and Receipts Activities,”* Prem Sikka said that shareholders’ ownership of a business is fallacy, and



ICAN President, Chidi Ajaegbu presenting Mrs. Yetunde Subair her certificate of Fellowship in UK while the Vice President Otunba Olufemi Deru watches

therefore requested that financial reporting should focus more on stakeholders, not just shareholders.

Mr. Kola Olutimehin explored the *“Role Expected of ICAN in Supporting E-commerce and Embracing the Cashless Policy Journey,”* and submitted that the role was significant and should be pursued vigorously.

Tracing the *“Trends and Development of E-Commerce Across Africa So Far; Lessons Learnt and to be Learnt as E-Commerce Spreads Across Africa,”* Mr. Alex Mswaka implored accountants to look at opportunities provided by e-commerce.

The conference technical session ended with a paper by Registrar/CE Mr. Rotimi Omotoso who spoke on *“Building a Disciplined Profession Since 1965.”* He submitted that accountants should refresh themselves on the ethics, codes, standards, as well as the fundamental principles governing their professional conducts. He also urged them to be conscious of threats to fundamental principles including self-interest, self-review, advocacy, familiarity and intimidation. ●

How ICAN/CITN Settlement Affects Members’ Right to Practice Taxation

Recently the **Association of Professional Bodies of Nigeria (APBN)** brokered an out of court settlement of the rift between the **Institute of Chartered Accountants of Nigeria (ICAN)** and the **Chartered Institute of Taxation of Nigeria (CITN)** over who is authorised to regulate taxation practice in the country. APBN moderated a mediation process which led to the signing of a Terms of Settlement (ToS) on March 10th 2015 and subsequently the withdrawal of the case at the Supreme Court.

The ToS was signed by President of ICAN Mr. Chidi Onyeukwu Ajaegbu, and CITN President Chief (Dr) Mark Anthony Dike on behalf of their respective Institutes.

Highlights of the Reconciliation

- 1) ICAN will rescind its earlier directive or resolution barring its members from joining CITN. This means ICAN members are now free to join CITN.
- 2) All members of ICAN who hold the licence to practice are to be granted direct membership of CITN, with full rights to practise taxation by completing CITN membership form only.
- 3) Members of ICAN without licence to practise, who desire to practise taxation are to be granted direct membership of CITN with full rights to practise taxation after fulfilling membership requirements but such candidates need to apply for and obtain CITN practice licence as applicable to other members before they can practise taxation provided such ICAN members do not need to sit for qualifying examination as a condition.
- 4) Those who resigned their membership of CITN on the directive of ICAN, should make a written application for reinstatement to their old membership status and pay the subscription for 2015 only if they apply within six calendar months from the execution of the terms of settlement, otherwise they will pay a maximum of two years’ accrued subscriptions.
- 5) The Terms of Settlement has already been entered as the Judgment of the Supreme Court in the Suit (No. SC/492/2013) and the case now formally closed at the apex Court.

Significance of the Settlement

ICAN members who so desire can practice taxation, but they should get a practice licence from CITN without writing any examination.

IPSAS Adoption in Nigeria: A Subtle Transformation Tool

By **OLUYEMI ABAOLU-JOHNSON**

1.0 BACKGROUND

A common trend I have observed in Nigeria is that there have been lots of initiatives and efforts directed at change or improvement of some of the vital organs of the nation, whether economic, governance, infrastructural, political, technological, social and many more. Typically, these initiatives and efforts cost considerable amounts of money, time, energy and efforts, but the results are either immeasurable, measured as negative or of little positive impact.

From careful evaluation of the above, either at personal or at micro brainstorming level, we deduced that our problem is not the lack of resources nor the lack of adequate man power but lack of well thought out approaches and methodologies with clear diagnostic, design and implementation elements and variables. Our usual direction and reaction in undertaking initiatives and efforts has been to firefight and scrape the surface rather than proffering far reaching, implementable solutions founded upon careful, in-depth and well documented assessment of current state. This has always produced impartial solution or sometimes no solution resulting in waste of the time, money and energy expended. I must say that though this is pervasive in the public sector, the private sector too is not cleared of this diagnosis.

The core objective of both the International Federation of Accountants (IFAC) and the International Public Sector Accounting Standards Board (IPSASB) in embarking on a new GAAP project specifically for the public sector is to improve the quality of general purpose financial reporting by public sector entities, leading to better informed assessments of the resource allocation decisions made by governments, thereby increasing transparency and accountability. The result is the production of the International Public Sector Accounting Standards (IPSAS) which guide financial reports and preparers of financial statements under new accounting and financial reporting framework. The idea is for users to move from core public sector accounting which record receipts and payments on cash basis IPSAS and then to accrual basis IPSAS.

Only one standard was issued for cash basis IPSAS and to date, 32 standards have been issued for accrual basis IPSAS starting

with IPSAS 1 – Presentation of Financial Statements and the last being IPSAS 32 – Service Concession Arrangement: Grantor. The other standards border on various assets, liabilities, financial instruments, and others. Essentially, they inform us on how preparers of general purpose financial statements define, recognise, measure and disclose various elements of financial statements in their entities' books. It must be noted however, that under accrual basis IPSAS, IPSAS 1 – Presentation of Financial Statements is the end, while the remaining 31 standards are means to that end. This is because the other 31 standards prescribe how the various elements of the financial statements (assets, liabilities, income and expenses) transform into one or more components of the financial statements while IPSAS 1 prescribes the key components of a complete set of financial statements which are:

- Statement of Financial Position;
- Statement of Financial Performance;
- Statement of Changes in Net Asset/Equity;
- Statement of Cash Flow; and
- Budget versus Actual Comparison (if available).

Before creating a link between our somewhat critical introduction and IPSAS adoption in Nigeria, we need to highlight the likely impact areas as well as the key benefits of IPSAS to adopting entities and to the Nigerian economy at large.

The schematic diagram above highlights the likely impact areas.

2.0 BENEFITS OF IPSAS

If well implemented, the benefits that are likely to accrue from the adoption of IPSAS include:

- **Accountability:** IPSAS requirement for increased disclosure in accounting reports increases the level of accountability in government.
- **Transparency:** Where IPSAS is adopted, full disclosure become an imperative of public sector accounting government.
- **Improved Credibility/Integrity:** Government accounting/reporting are not credible if government itself decides the rules.

- **Political Leverage:** Government may be required to provide accounting information by a higher or legal authority e.g. UN, ICJ, etc.
- **International Best Practice & Comparability:** IPSAS seeks to ensure that financial statements prepared in the basis of it are internationally comparable. Comparable information assists the stakeholders in assessing how well their resources have been utilised.
- **Greater Disclosures:** IPSAS encourages full disclosure, which beams the light of transparency, integrity and accountability.
- **Increased Control of Public Agencies:** The increased disclosure, transparency and comparability IPSAS engenders will permeate the public sector bringing about greater accountability.
- **Enhanced Implementation of the Freedom of Information (FOI) Act 2011:** The accountability and transparency requirements of IPSAS are consistent with and supports the provisions of the Nigerian FOI Act 2011 which seeks to promote access to government information.
- **Building confidence in Donor Agencies and Lenders:** Adoption of IPSAS increases the country's eligibility to access economic benefits from donor agencies (USDP, USAID etc), private sector financial institutions (Bonds and Bonds rating agencies), official institutions (IMF and World Bank), etc.
- **Improved Service Delivery:** As a result of greater accountability and transparency, adoption of IPSAS will improve Value for Money (VfM) expenditure.
- **Aggregate Reporting:** Adoption of IPSAS will ensure a holistic reporting of government financial transactions and positions.
- **Enhanced Public-Private Partnership Arrangements:** Collaborative efforts between the public and private sectors are enhanced with both running on similar set of accounting standards- IPSAS and IFRS.
- **Economic Leverage:** Sovereign nations are induced with the prospect of commensurate benefits. Government susceptible to economic leverage are more likely to adopt IPSAS.
- **An IPSAS Compliant Economy:** Keeps abreast of the latest market trend thereby become competitive in the global market place.
- **Increased Cross-border Investment and Foreign Direct Investment:** The adoption of IPSAS will put the country on the same accounting pedestal as several other countries of the world, increasing the propensity to generate more cross-border and foreign direct investments through greater transparency and a lower cost of capital for potential investors.

Other benefits that are directly or indirectly inferred from above are:

- Strengthened accountability towards all stakeholders;
- Strengthened support for results-based management through the provision of comprehensive information on costs;
- Improved management and planning across the Joint Programme due to better accounting practices for income

and expenditure;

- Better understanding of revenue and expenses and improved management of commitments, risks and uncertainties;
- Increased utilisation of budgetary controls;
- Increased transparency and harmonisation of financial reports and statements across public sector entities;
- Availability of audit trail for transactions and balances;
- Improved responsibility over assets and expenditure generally;
- Enhanced prediction of future asset and cash-flow needs; and
- Adherence to the highest international standards of financing reporting — aligned with best practices — that allow for improved consistency and comparability.

Perusing and digesting these impact areas, as well as the inexhaustible benefits naturally suggest that investing the right energy, time and resources; through a well tailored, disciplined approach, may create a change platform that we may not be able to quantify for the nation. Essentially, we need to unify available approaches through a central coordinating body for which a framework already exists — Financial Reporting Council of Nigeria in conjunction with the Office of the Accountant General of the Federation. These approaches will become a guideline for both consultants and entities at all government levels who are implementing IPSAS.

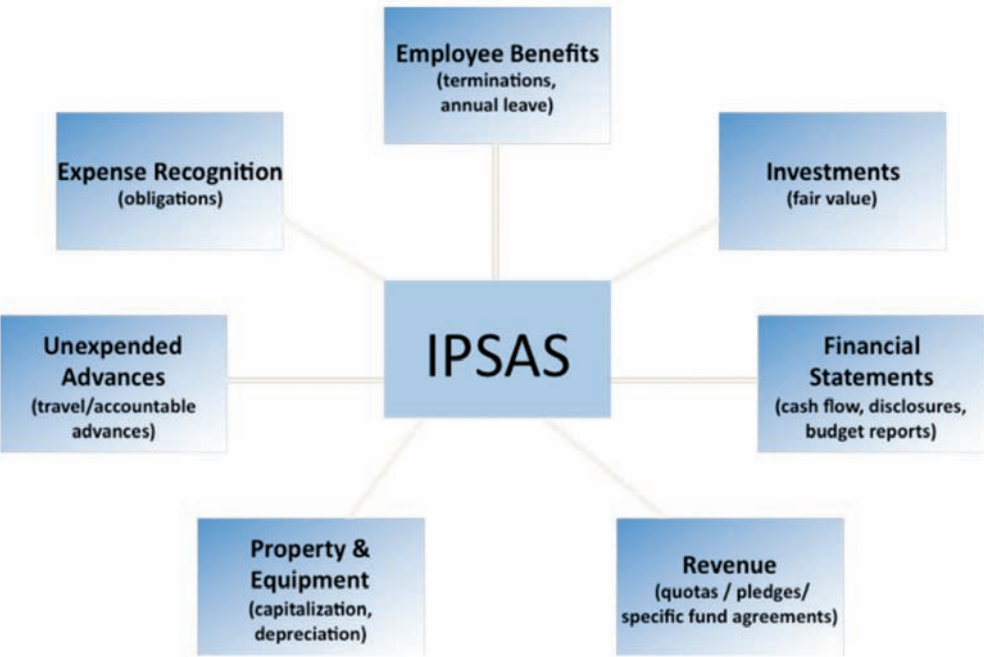
3.0 IPSAS IMPLEMENTATION GUIDELINE

To achieve tangible and measurable success, the guideline should comprise the following activities as prescribed in the schematic **Table 1** above:

3.1 Readiness Assessment — Across Data and Records, People, Process and Technology: Observed trend around this is a few days high-level review of the readiness of implementing entities and emphasis has not been given to areas highlighted in the readiness scope. Before concluding on the core project scope, approach and timelines; rooted and detailed reviews of the entity's readiness should be assessed and reported. In fact, this is billable, engendered by the management of the implementing entity and the result forms the basis of determining Expression of Interest (EOI)/ Request for Proposals (RFP) and even selecting the right consultants for the conversion.

3.2 Noncurrent Assets — Listing, Verification, Reconciliation and Valuation: A major expectation from the outcome of IPSAS adoption is for the entity to be able to adequately report its net assets and a core benefit or objective of IPSAS adoption is heightened responsibility over assets both monetary and non-monetary or current and non-current as the case may be. Since we also know that asset management practices in the public sector is weak, then we should straighten this area adequately and ensure that an update non-current asset register, which accurately reconciles with physical inventory of asset is in place. This should also be a separate project but fitted within the larger IPSAS programme which is a combination of many interfacing projects.

3.3 Cash and Accrual Bases: When these two critical areas



have been taken care of, we can now proceed to the Cash Basis IPSAS, and then the Accrual Basis IPSAS aligning with the national roadmap (which I deem inadequate in terms of providing project and timeline guidance) and we must know that each phase particularly the accrual basis has its embodiment of knowledge, technical accounting, process and technology interfaces; with each area given the right attention and emphasis as each is a core dependency for the overall success of the conversion programme.

4.0 Summary and Conclusion

My conclusion will still concentrate on project management as did my introduction but will not be as critical as my introduction was, but suggestive. While we need to concentrate on competences

and expertise on technical accounting, we must not relegate expertise in business processes and technology to the background. The other important area is project management. I will suggest that for larger adopting entities (e.g. states), five or six consulting firms be engaged for each of the under listed essential areas. This will improve the quality of the entire project as each firm will “quality-assure” the works of interfacing firms whose projects are dependency for the success of their own. I will also advise that auditors be appointed as the last in the quality chain and that the “big four” firms be appointed for this segment of the quality chain across the states and other larger adopting entities.

Based on our project and programme management experience and extensive research we have

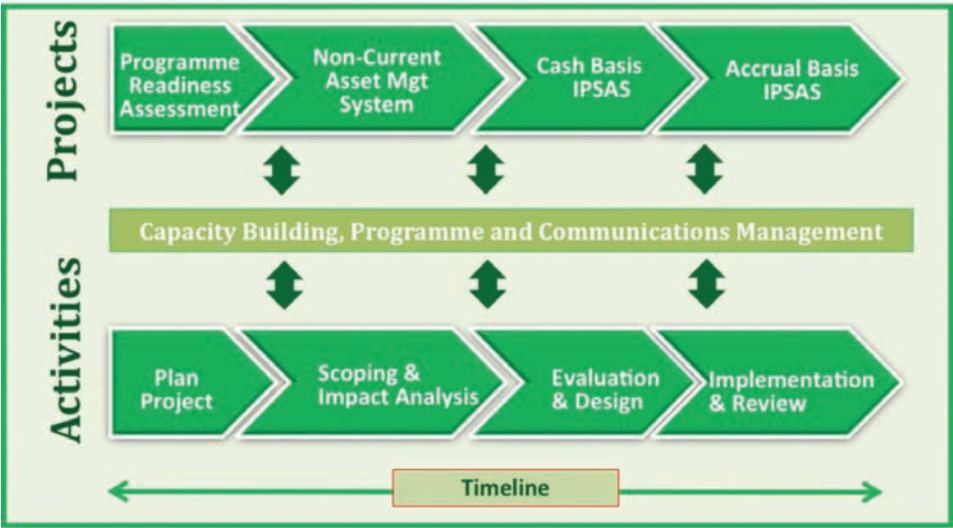
conducted on IPSAS conversion around the world, the minimum cost of conversion for each state to achieve success is estimated at \$12m. We should not look at just the short run cost alone but compare it with both the short, medium and long run benefits before frowning at this estimate and taking the easy way out. Benefits like responsibility over assets, asset cycle informing (restricting) our CAPEX budget continuously, audit trail and other complements of system controls to list a few will in no small way improve efficiency in the public sector and will ultimately significantly outweigh the costs in both the short and long runs.

The essential areas that converting entities need to engage consultants for are:

- 1. **Programme Management** - Project, change and communication management firms.
- 2. **Readiness Assessment** - Firms combining expertise in technical accounting, business processes, technology and data management.
- 3. **Technical Accounting and Financial Reporting** - Audit and accounting firms.
- 4. **Business Processes** - Management consulting firms with strong competences in business process reengineering.
- 5. **Technology** - Leading Enterprise Resource Planning (ERP) application and implementation vendors as well as data and document management application vendors.
- 6. **Final Audit and Quality Assurance** - Strictly “Big Four” firms because of brand protection and other risk management issues. ●

★ Mr. Oluyemi Abaolu-Johnson is a member of the Institute.

Table 1



Automating Your Auditing Practice Drives Profitability

By **TERTIA BARRET**

During peak audit season you probably spend a lot of time thinking about your practice model: How can you streamline your processes better? How can you be more profitable? Serve your clients better? Prepare your firm for future success? This is a common scenario for most practitioners, especially as time is money and it is not unusual for a practice to be busy 24/7 during peak audit season.

So let's stop and look at your practice model. The odds are that trial balance (TB) engagements are the primary source of revenue within your firm. Whether the engagement is a compilation, review or audit, the trial balance and supporting working papers (WP) are at the core of the workflow. Therefore, it is a logical conclusion that this component of your practice has the greatest potential for return on investment by, at a minimum, utilising an electronic engagement solution program to manage the entire process. And if you're forward thinking, actually transforming to an electronic workflow and taking it paperless.

Auditing software has been around for a number of years, yet the automation of many audit practices are still a work in progress. In fact, today many practices still manually submit the required information and use undeveloped systems to support their audit work with tools that can include anything from spreadsheets to good old fashioned pen and paper. This can leave the typical auditor with a huge – and unnecessary – workload and possible inaccuracies.

The good news is that it is certainly possible and rewarding when automating the processes. Moving to an automated system may require changes in policies, procedures and culture of a core segment of your practice – but there are massive benefits to be reaped. In a fully automated trial balance workflow, we are not

just talking about a “paperless” process. We're also talking about a “pencil-less” process – which means you need to get the right type of solution for your business – one that is intuitive, user friendly and has built-in automation that can increase your engagement efficiency. What is more, from an internal perspective, having a solution that assists in ensuring you pass practice review becomes invaluable.

Having an automated process allows auditors to be more efficient, improve the accuracy of their work and present professionally prepared results. However, the benefits of automated auditing are more than just about improving speed and efficiency, it's about substantially reducing the amount of paperwork done by professionals, eliminating duplication of work and allowing partners to manage the entire audit better, from planning phase to finalisation and reporting to management. Additionally, using a software solution with built-in validation tools helps reduce the risk of inaccuracies – ensuring a high degree of certainty that your results are not only accurate, but also meet regulatory requirements – and because the software is constantly updated with any changes to international standards, you're always compliant.

By automating your practice and using the right solution, very time-consuming work can be completed in half the time – or even less. Therefore, it allows for a quicker turnaround on delivery, giving you the capacity to service more clients and thereby increase your productivity – a direct impact on the profitability of your practice. Isn't it time you made the leap? ●

★ **Mr Tertia Barret is the Business Development Manager at Caseware Africa.**

“ Having an automated process allows auditors to be more efficient, improve the accuracy of their work and present professionally prepared results. Additionally, using a software solution with built-in validation tools helps reduce the risk of inaccuracies – ensuring a high degree of certainty that your results are not only accurate, but also meet regulatory requirements ”

THE INSTITUTE OF CHARTERED ACCOUNTANTS OF NIGERIA

**IN THE ACCOUNTANTS' DISCIPLINARY TRIBUNAL
HOLDEN AT VICTORIA ISLAND, LAGOS**

CHARGE NO: ICAN/LEG/DT/3389/2013

Between

ICAN.....COMPLAINANT

And

SAMSON JAGBORO (MN. 3389).....RESPONDENT

RULING

The Respondent was charged before this Tribunal on a two (2) count charge as follows:

1ST COUNT

STATEMENT OF OFFENCE

Disrespect contrary to paragraph 21.2.3 of chapter 21 of the Professional Code of Conduct and Guide for Members of the Institute and punishable under section 12(1)(a) of the ICAN Act Cap 185 Laws of the Federation of Nigeria 1990.

PARTICULARS OF OFFENCE

That you **SAMSON JAGBORO** (M) between May 2012 and January 2013 willfully disobeyed the Institute's Investigating Panel's directive despite several written requests and thereby committed an offence contrary to paragraph 21.2.3 of chapter 21 of the Professional Code of Conduct and Guide for Members of the Institute and punishable under section 12(1)(a) of the ICAN Act Cap 185 Laws of the Federation of Nigeria 1990.

2ND COUNT

STATEMENT OF OFFENCE

Professional misconduct contrary to paragraph 21.2.5 of chapter 21 of the Professional Code of Conduct and Guide for Members and punishable under the said Rules and section 12(1)(a) of the ICAN Act Cap 185 Laws of the Federation of Nigeria 1990.

PARTICULARS OF OFFENCE

That you **SAMSON JAGBORO** (M) as a Chartered Accountant sometime in 2007 received the sum of N198,500.00 (One Hundred and Ninety-Eight Thousand, Five Hundred Naira) from **Mrs. C.K. Adelaja** for the purchase of 6,000 units of First Bank of Nigeria Plc Initial Public Offering (IPO) shares which you did not comply with as agreed and thereby committed an offence contrary to paragraph 21.2.5 of chapter 21 of the Professional Code of Conduct

and Guide for Members of the Institute and punishable under the said Rules and section 12(1)(a) of the ICAN Act, Cap 185 Laws of the Federation.

The Respondent appeared before the Accountants' Disciplinary Tribunal for the first time on the 29th of October 2014 after a newspaper publication inviting him to appear before the Tribunal. He apologised for his inability to come before the Tribunal prior to the newspaper publication because armed robbers attacked him on the 5th of August, 2014. He was not represented by counsel.

The Respondent pleaded not liable to the two count charge brought against him. The matter was thereafter adjourned for trial to enable the Prosecution bring its witnesses while the Respondent was given an opportunity to engage the services of a Counsel.

The matter came up again before the Accountants' Disciplinary Tribunal on the 28th of November 2014. The Respondent was in attendance but was not represented by Counsel. The Prosecutor informed the Tribunal of a letter of plea written to the Tribunal by the Respondent.

The Respondent pleaded with the President and the distinguished members of the Accountants' Disciplinary Tribunal stating that he does not intend to waste the precious time of the Honorable Tribunal.

That he did not engage the services of a legal counsel and he does not intend to do so. He stated further that he is not as healthy as he would have wished and that he needs some time to look after his health as he was attacked by armed robbers who shot him in the hand on August 5, 2014. The pellets are still lodged in his palm and wrist and yet to be completely dislodged.

That he has no point of law to argue with The Institute of Chartered Accountants of Nigeria (ICAN) as he holds the Institute in great honour and respect. He stated that he received the letter of inquiry sent to him by the Accountants' Investigating Panel and also received the letter conveying the directive of the Accountants'

Investigating Panel to pay the complainant a balance of N75,261.05 (Seventy-Five Thousand, Two Hundred and Sixty-One Naira, Five Kobo)

He said he was willing to pay but neither the Complainant nor her Lawyer had ever at any time requested him or his Company Arcturus Trust and Funds Ltd. either verbally or in writing to refund the said sum. That he did not disobey the directives of the Accountants' Investigating Panel but rather that the Complainant never came for the money as the Panel directed, and he did not receive any other letter from the Accountants Investigating Panel.

That the Ogun State Government embarked on a Road Construction and Expansion Project which subsequently affected his office accommodation at Sagamu and Ijebu-Ode so he had to operate from his residence for several months; this was what led to the breakdown in Communication between the Accountants' Investigating Panel and him.

He thereafter apologised profusely to the Panel, regretting his actions. He further made a passionate plea to the Accountants' Disciplinary Tribunal to allow him deposit First Bank Plc. Cheque Number 09953543 for N75,261.05 (Seventy-Five Thousand, Two Hundred and Fifty-One Naira, Five Kobo) in the name of the Complainant to settle this matter once and for all. The reason for the plea is because the Complainant over the years had refused to come forward to collect the balance.

That in as much as he was not trying to justify his actions, no organisation is immune from fraud when there is collusion between staff and customers.

The decisive action which he took, then saved the Complainant's shares and she is in a better position than she would have been even if the shares were purchased through Public offering.

In summary, he appealed to the Accountants' Disciplinary Tribunal to temper justice with mercy after considering his entire predicament.

The letter was admitted as a change of plea for the Respondent from not guilty to a plea of guilty for consideration as a result of which the matter could not proceed to full trial.

This Tribunal is mindful of the fact that a complaint of professional misconduct was made against the Respondent and it behooves on the Tribunal to thoroughly examine the issues canvassed by both parties and arrive at a firm and just decision.

The matter was referred to the Tribunal by the Investigating Panel on the charge of disrespect to the Panel's Directive and for infamous conduct contrary to paragraph 21.2.3 of chapter 21, paragraph 21.2.5 of chapter 21 the Professional Code of Conduct and Guide for Members violated by the Respondent and also section 12(1)(a) of the ICAN Act Cap 185 Laws of the Federation of Nigeria 1990.

The brief facts of the matter are:

The Institute received a complaint dated 22nd December, 2011 by the law firm of Adeola A. Adekagun & Co. on behalf of Mr A.A. Adelaja and Mrs C.K. Adelaja (the Complainants) against Mr Samson A. Jagboro, a member of the Institute. This was complemented with an affidavit sworn to by Mr A.A. Adelaja on the 11th day of April, 2012. The Complainants alleged that in 2007, they paid the sum of N198,500 (One Hundred and Ninety-Eight Thousand, Five Hundred Naira) to the Respondent for the purchase of 6000 units of First Bank of Nigeria Plc (FBN) shares by

public offering. However, the Complainants made several visits to the Respondent's office for the share certificates to no avail.

According to the complaint it was only after their Solicitors wrote a letter dated 17th December 2008 to the Respondent that he purchased 6000 units of FBN shares over a period of time and at a total sum of N123,238.95 (One Hundred and Twenty-Three Thousand, Two Hundred and Thirty-Eight Naira, Ninety Five Kobo). Since 2008, the Respondent has refused to refund the balance sum of N75,261.05 (Seventy-Five Thousand, Two Hundred and Sixty-One Naira and Five Kobo) to the Complainants with interest at the banking rate of 21%.

Mr. A.A. Adelaja in his sworn affidavit of April 11, 2012, stated amongst others that he and his wife lost dividends declared by First Bank in 2007 and 2008 due to the Respondent's negligence as they paid the Respondent to purchase FBN share units on public offering and not those purchased from the floor of the Nigerian Stock Exchange (NSE). He further stated that the Respondent did not at any time disclose his true position and the capacity he was dealing with them until issues with respect to this matter arose and that he believed that the Respondent is either representing Stanwal Securities Ltd. and/or soliciting for clients on behalf of the Company.

The Investigating Panel, investigated the complaints and on the 19th of April, 2012, the Panel directed the Secretary to write to the Respondent to pay up the balance sum of N75,261.05 (Seventy-Five Thousand, Two Hundred and Sixty-One Naira and Five Kobo) to the Complainant within 60 days of the receipt of the letter or the matter be referred to the Institute's Disciplinary Tribunal. Despite proof of receipt of the letter, the Respondent did not revert to the Panel. After the expiration of the initial 60 days another letter was sent to the Respondent giving him 14 days to revert yet the Respondent did not respond. The matter was referred to the Disciplinary Tribunal by the Panel on two-count charge of disrespect and professional misconduct.

The Respondent in his letter of plea has not denied any of the allegations though he however tried to explain or justify his actions and omissions with respect to the complaints.

Having considered the facts of this case, the Tribunal finds the Respondent guilty of the offence on the two counts as charged. However, in view of the Respondent's apology and his plea for leniency and being mindful of the fact that the Respondent has issued a First Bank Plc. Cheque Number 09953543 for N75,261.05 (Seventy Five Thousand, Two Hundred and Sixty-One Naira, Five Kobo) in favour of the Complainant, **the sentence of the Tribunal shall be a caution and stern warning.** The Respondent is hereby reminded that any other infraction by the Respondent will not be taken lightly by the Institute.

This shall be the decision of this Tribunal and this shall be published in the Institute's journal.

Dated this**16th**..... day of**December**..... 2014

CHIDI ONYEUKWU AJAEGBU, ACS, MBF, FCA
CHAIRMAN, ACCOUNTANTS' DISCIPLINARY TRIBUNAL

An Encounter With **Chief Garrick Sunday Zaccheus** **AGHAHOWA**, FCA (MB00003)

By ABEL AIG. ASEIN

Preamble

The second day of November 2014 was very unique in the ancient city of Benin as chartered accountants gathered in their number to celebrate an icon of the Accountancy Profession, the first professionally qualified Cost Accountant in British West Africa, a foundation member of the Institute, **Chief (Dr.) Garrick Sunday Zaccheus Uwa Aghahowa**, FCA (MB No. 00003). Born on Sunday, November 2, 1916, the nonagenarian celebrated his 98th birthday among his professional peers led by the Golden Jubilee President of the Institute, Mr. Chidi Onyeukwu Ajaegbu, ACS, MBF, Dip. Polygraph, FCA. Pa Aghahowa, FCA is, from available records, the oldest living chartered accountant in Nigeria today! His contemporary and Doyen of the Accountancy Profession in Africa, Mr. Akintola Williams, CBE, CFR, B.COM, FCA (MB 000014) was 95 years on August 9, 2014. Thus, the ceremony was a carnival of some sort for members of the Benin and District Society led by their Chairman, Mr. Efe Iserhienrhien, ACA.

Pa Aghahowa's Abode

In spite of his age, Chief Aghahowa, FCA was graceful in demeanour; his voice was strong and memory excellent. His one-storey building along 3rd Cemetery Road, Benin City built several decades ago, wore the look of modesty in the midst of



Pa Aghahowa

success. It must have been a giant in the Sun at the time it was built! His chair, made by professional wood carvers, depicted its royalty. Each arm of the chair had the effigies of past Benin warriors while the emblem at the head of the chair was that of great crown worn by famous Benin Kings! Photographs of his many professional exploits and visits around the world adorned his living room. Chief Aghahowa is the *Aiwereoba* of Benin Kingdom, one of the very high ranking chiefs of the ancient Benin Kingdom. Literally, the title means “the Oba does not and will never be changed because, he lives forever!” He was beautifully dressed in his native attire with all the royal *ivies* (traditional beads) in their various sizes symbolising wisdom, Palace and Community responsibilities. Marking the 98th birthday was special to Pa Aghahowa because it fell on a Sunday and was also the first Sunday in November similar to when he was born. He was born on a Sunday which was also the first Sunday in November 1916. Over the years, his birthday, according to him, had been on week days.

Early Life

Asked how it all started, Chief Aghahowa simply intoned philosophically, “every person has a divine purpose for being on earth. While people and circumstances may delay the achievement of the divine purpose, God’s will will ultimately prevail.” This saying was affirmed by his life story which he told affectionately to inspire the audience.

He recalled how it all divinely started in his village (Udo) in 1929 when he was instructed to be assisting his elder brother to carry his school bag made of “raffia palm” to and from school on daily basis. According to him, his elder brother detested carrying any such bag to school and to encourage him, young Sunday Aghahowa was withdrawn from the farm to serve as help (porter) to his brother. Indeed, he became a porter to every young man who was attending school from his village. As fate would have it, while his brother would be in the class, he would either be engaged in killing red neck lizards in the neighbourhood or rest under the tree behind his brother’s class where he often listened to the class lessons going on.

During one of the days, inspectors came from Benin to the school in Udo village to test the abilities of the pupils as part of the strategies to monitor their progress which we now call continuous assessment of pupils. The test was on identification of letters of the English Alphabet. Unfortunately, when his brother was asked to identify letter “K”, he could not. So, young Sunday Aghahowa screamed the answer to his brother from outside! This shocked the expatriate (European) team leader and his men. Some people were asked by the European Inspector of Education to “arrest” young Sunday but he escaped into the bush. Pa Aghahowa said he returned to the neighbourhood school later in the day because he was specially fascinated by the sight of a human being with different colour of skin and hair.

However, on the second day, when his brother was asked to

identify letter “Q”, he still could not do so and again, he screamed the solution to him from outside. He could no longer escape as he was arrested and brought before the European. It was then and there he was declared the Education Inspector’s Scholar, given admission with all his school fees fully paid by the European! Young Sunday Aghahowa was also rechristened Zaccheus by the European to flag off a new life for him similar to the visit by our Lord Jesus Christ to the home of Zaccheus with the good news of Salvation. He successfully completed his education to Standard 2 in 1932 which was the highest level of education in his Udo community at the time.

Soon after this, he retired to the farm and for the next eleven years, he remained in the farm until he got tired and escaped from the village to Benin City in 1943 to start a new life as a house help to one of the business men of the time. The condition for his engagement was that he would do all the house chores and have two hours a day to study. To the young Aghahowa, this was very inviting and so, he accepted the arrangement. When his master’s colleague had a matrimonial challenge which resulted in the dissolution of his marriage to his two wives, he, young Aghahowa was seconded to go and assist the man with house chores.

He recalled how renowned scientist, Prof. Emmanuel Emovon, CON, former VC of University of Jos and former Minister of Science and Technology was coming to his new master’s house for extra lessons to enable him sit for common entrance examination into Edo College at the time. According to Pa Aghahowa, while cleaning the house, he came across the Arithmetic exercises that were given to young Emovon to solve. He then decided to try his hands on them forgetting that he had a pot of beans on fire. While attempting the 5th Arithmetic exercise, he heard a sound which was that of his master and he remembered that the beans he was cooking was still on fire and was now completely burnt. Rather than punish him, his new master was impressed about the solutions he provided to the exercises and subsequently encouraged him to go to school and this was the beginning of his education at St. Peter’s Primary School, Benin City in 1944. He subsequently got a scholarship and went to England where he studied Accountancy, qualified as Cost and Works Accountant in 1957 and returned home thereafter. To have a **Membership Number 00003** within the 40,000-strong ICAN members is highly venerated amongst chartered accountants.

Role in ICAN

On the Institute Pa Aghahowa recalled that he was in industry most of his working years. He credited the driver of the formation of ICAN — Mr. Akintola Williams, CBE, FCA with impeccable character and excellent organisational skills. All the meetings he attended were at the instance of Mr. Williams. According to him, Mr. Akintola Williams was ably supported by F.C.O. Coker who was then the Lagos City Treasurer and some other qualified chartered

“In spite of his age, Chief Aghahowa, FCA was graceful in demeanour; his voice was strong and memory excellent. His one-storey building along 3rd Cemetery Road, Benin City built several decades ago, wore the look of modesty in the midst of success”

accountants (both Nigerians and Expatriates). He showed us the 1963 Membership Book of the **Association of Accountants in Nigeria**, the forerunner of ICAN. Part of the Preface of the book read as follows, "The Association was incorporated as a Limited Liability Company under the provisions of the Nigeria Companies Ordinance Cap. 38 on the 17th November 1960 with dispensation to omit the word 'Limited' from its name. The inaugural general meeting was held on the 29th December 1960."

As at 30th April 1963, the membership of the Association was 130: 84 were **members-in-practice** and 46 **members-not-in practice**. Indeed, the report revealed that of the 46, 14 were in Government Departments, 20 in Statutory Bodies and 12 in Commerce and Industry. This possibly explains why the governing Council of the Institute, till day, has more members in practice than not in practice: 14: 11. The layout of 1963 Membership Book was simply good. It contained the principal officers of the Association for 1962-63 presidential year, the list of all members, their accountancy qualifications, their organisations and contact addresses, topography and the audited accounts of the body. As somebody adept at keeping records, the receipts with which Pa Aghahowa paid his membership subscriptions in those early years were in the booklet!

Part of His Career

As a multi-talented professional, Pa Aghahowa was in Industry, Commerce, Academia and Politics. He recalled how the Western Regional House wanted him (Aghahowa) to unceremoniously take over from the Financial Controller of the Region who had gone on leave. Indeed, he resumed in the Office but when Mr. Stewart returned from UK, the European found it difficult to believe that there was any black qualified chartered accountant who could take over from him. Mr. Stewart later confirmed that Pa Aghahowa had indeed passed the final qualifying examinations of the Institute of Cost and Works Accountants (now Chartered Institute of Management Accountants), making him the first African from the British colonies of Nigeria, Ghana, Sierra Leone and The Gambia to attain that feat. The Parliament confirmed his appointment and Mr. Stewart was directed to leave immediately. Unfortunately, Pa Aghahowa, out of empathy, had to acquiesce to the request of Mr. Stewart to allow him stay for some months more as he had no home to return to in UK! Over dinner, Mr. Stewart promised to offer another job to Pa Aghahowa in Nigerian Breweries Ltd. He resumed there the following day as Chief Accountant.

Over the years, he was invited to work in the Bursary Dept of the newly established University of Lagos in 1966 as Chief Accountant. Twenty-eight days after he assumed duty, there was trouble in Unilag as the Western Regional government wanted a Professor from the region to become the next Vice Chancellor at the expiration of the tenure of Prof. Eni Njoku, its pioneer VC. Following the mass resignation of all the expatriate officers of the institution in sympathy with Prof Njoku, the post of Bursar

became vacant and he became Acting Bursar. In effect, he was Chief Accountant for 28 days before becoming Acting Bursar and later Bursar.

While holding forte as Bursar, he was appointed as a member of the Judicial Inquiry set up by the Military Governor of the Mid-Western State Government in 1967, Lt.-Col. Samuel Osaigbovo Ogbemudia, to review the impact of the Biafra Rebels' invasion of the state in July/August of that year without resistance. The Panel was chaired by Mr. Justice J. Omo-Eboh,

Pa Aghahowa was also made a member of the Committee set up by Col. Ogbemudia (now promoted) to work out the blueprint for establishment of the Midwest Institute of Technology in Benin. On the approval of the blue print, the then military governor of the State, Col. Samuel Osaigbovo Ogbemudia, approached the Federal Government for Pa Aghahowa to be seconded to the new Institute which eventually became the University of Benin in 1972. In effect, Pa Aghahowa was the pioneer Bursar of the University of Benin. In appreciation of his immense contributions to governance, he was elected to represent his people in the then Bendel State House of Assembly between 1979-83 on the platform of the Unity Party of Nigeria!

The story of his patriotic and heroic exploits had to be abridged to allow for other activities. His memory at 98 was sound and impressive. All stories he told were with exact dates and day of the week! The cutting of the birthday cake was conducted by the President while this writer proposed a toast in honour of this founding member of ICAN, a mobile icon and Encyclopedia of the Accountancy Profession. Gifts were presented by the Institute, the Benin and District Society and The Executive Chairman, Edo State Internal Revenue Service, Mr. Oseni Elamah, FCA, who also moved the vote of thanks.

In honour of the celebrant, the Golden Jubilee President announced that the lecture theatre to be built at the University of Benin will be named after Pa Aghahowa, FCA. On the ICAN President's entourage were Vice President, Otunba Femi Deru, FCA; Council members: Messrs S.A. Bammeké, Rasaq Jaiyeola, D.C.S. Alaribe, Hart Odafen Ozoya, Tajudeen Olayinka and Abel Aig. Asein, Deputy Registrar, Technical Services. One of the celebrant's children, Mr. Peter Aghahowa, Head of Inspection and Investigation Unit, National Pensions Commission who flew in from Abuja for the event, thanked the Institute for the great honour.

Although the ceremony lasted only two hours, it left memories of a divinely fulfilled life of service to the Accountancy Profession, the Society and the Nation. Indeed, it was a rare chance meeting with history! Let's celebrate this living legend. ●

★ Mr. Abel Aig. Asein, BSc (Econs.), MBA, AMNIM, CFE, FCCA, ACA is the Deputy Registrar, Technical Services, The Institute of Chartered Accountants of Nigeria.

“Pa Aghahowa passed the final qualifying examinations of the Institute of Cost and Works Accountants (now Chartered Institute of Management Accountants), making him the first African from the British colonies of Nigeria, Ghana, Sierra Leone and The Gambia to attain that feat”

Oseni, A Man of Service Bows Out

*Tribute to Late **Cornelius Oladipupo Sunday Oseni, BSc, FCA**
The 27th President of ICAN*

Today is a sad day in the annals of the Institute of Chartered Accountants of Nigeria and the accountancy profession in our country. It is sad because one of our own **Mr. Cornelius Oladipupo Sunday Oseni, FCA**, our distinguished past president, teacher, manager and consultant is no more. We mourn him today, but we are glad that he lived a life of service, purpose and achievement worthy of emulation.

He was not just a core professional, he was also good natured, kind, gentle, loving and accommodating. He touched lives and influenced a lot of people who came his way positively. In fact, if life and death were determined by a person's good work, professional pursuit, positive influence on others, generosity and the desires of his colleagues, friends and family, he would be alive today. But here we are mourning the departure of a good man. Nevertheless, our consolation is in the fact that he left so much for us to remember him by.

The life of C.O.S. Oseni is a study in perseverance. Though born with no silver spoon in his mouth, he was able to scale through the daunting hurdles which separate rags from riches by sheer determination, diligence and strategic planning. Born in 1929 in Owo (present day Ondo State) in Nigeria, Dipo had his early education in various schools in Owo before starting his working career as a pupil teacher. Because of his young age and stature then, he was nicknamed "oluko kekere" (i.e. small teacher). He was to make outstanding progress in education, career and even stature soon after. After just few years as an auxiliary teacher, his love for learning took him to the famous St. Andrews College, Oyo, a teacher training college after which he taught in various schools including CMS Grammar School, Lagos until 1956 when he left the country for further studies. Before going to the United Kingdom he had planned to study Law and Economics at the famous London School of Economics and Political Science (LSE). But due to a large number of Nigerians studying law at the time he decided to study something different and he chose accountancy, thereby putting aside his Intermediate LLB qualification to begin a new course entirely.

He began his professional training with Messrs Fisher Conway Fenton & Co of Chancery Lane, London in 1959 soon after graduation from LSE and later moved to Freeman Brothers & Co at Old Street in the heart of London. He passed his professional examination in 1962 and in 1963 was admitted a member of the Institute of Chartered Accountants of England & Wales (ICEAW). He also completed the graduate examinations of the British Institute of Management same year.

After qualifying as an accountant, COS worked with the firm of Whinney Smith & Whinney in London from where he was recruited to join the non-teaching staff of the College of Medicine, University of Lagos. He served the college meritoriously and rose to become the first Nigerian Chief Accountant of the College. Having reached the peak of his career at the College of medicine he decided to return to his first love teaching and therefore moved to the University of Ife (now Obafemi Awolowo University) in 1968 as a Senior Lecturer. To further strengthen his teaching competence, he proceeded to Harvard University Graduate School's International Teachers' Programme and returned to continue in his lecturing role at Ife until the lure of professional accounting



practice once again ended his second stint in teaching and he joined National Oil Marketing Company Ltd (then Shell Nigeria Ltd) in Lagos as Chief Accountant. Not completely done with teaching, he combined his role at National Oil with a part time lecturing assignment at the University of Lagos. In 1977, he decided to call time on paid employment and therefore resigned his post at National Oil to begin another chapter in his career as Managing Partner of Ladipo Oseni & Co (*Chartered Accountants*), a firm he founded.

In view of his training and wide experience he was admitted a member of ICAN in 1972 and a year later became a fellow of both ICAN and ICEAW. He was member of various ICAN committees such as Education Committee, Taxation, Law & Research Committee; Rules Review Committee; Finance & General Purposes Committee; Joint Consultative Committee; Small Practitioners Committee

and Annual Accountants Conference Committee. He was a one-time chairman of the Lagos District Society of ICAN. He represented the institute as a member of the Education Committee of International Federation of Accountants (IFAC) and a member of African Accounting Council. His contributions to innovations in the institute and accountancy in general were also outstanding. He pioneered the central marking scheme for ICAN examinations and engineered the focus on Public Sector Accounting including Local Government Accounting, among others. It was also during his tenure as Chairman of Education Committee that the Institute approved the Accounting Technicians Scheme. Considering his services to the Institute in various capacities, it was not surprising that he was elected ICAN's 27th President & Chairman of Council in 1991.

Mr. Oseni also served his home State of Ondo, the Western Region and Nigeria in various capacities. He was First Secretary Nigerian Economic Society and was a nominee of Ondo State on the board of several companies including Odua Investment Co. Ltd. He had also served as a member of the Public Accounts Committee in the former Western Region. Mr. Oseni was also an active member of the Committee on Internal Revenue Generation, Ondo State; Member, Constituent Assembly on the Reform of Nigerian Company Law; Member, Consultative Committee on Revenue Allocation; Member, Committee on Commercialisation of the Nigerian Mining Corporation; Member, Implementation Committee on Commercialisation of Nigerian Coal Corporation; Member, National Conference on Corruption and other Economic Crimes in Nigeria.

Pa. Oseni was not just outstanding in accountancy and business; he was also a devoted family man. He met and fell in love with then Miss Valerie P. Johnson in 1958 while a student at LSE. The marriage which was consummated in 1963 is blessed with children and grand children.

May God bless his soul.

Chidi Onyeukwu Ajaegbu,
FCS, MBF, Dip. In Polygraph (USA), FCA
50th President, The Institute of Chartered Accountants of Nigeria

★ The ICAN President delivered this funeral oration at the burial ceremony of Late Oseni in London on March 20, 2015.

The Impact of Emotional Intelligence on the Roles of Internal Auditors

By Dr. BARTHO N. OKEZIE

This is an empirical study of the impact of emotional intelligence competencies on the organisational roles of Internal Auditors. Internal Auditors are important in the attainment of organisational objectives. They are expected to objectively examine, evaluate and report to management and those charged with governance, on the adequacy of internal controls as a contribution to the proper, economic and efficient and effective use of resources. Emotional Intelligence helps one to manage himself and his relationship with others; it operates through its five basic elements of self-awareness, self-regulation, motivation, empathy and social skills. The main research objective is to find out the impact of emotional intelligence on the organisational role of Internal Auditors. The key hypothesis is that emotional intelligence has no significant impact on the organisational roles of internal auditors. The target population of this study consists of the entire staff of the Internal Audit unit of key Federal Institutions in Owerri. The researcher adopted judgement sampling techniques and a sample size of forty (40) respondents were used. The main data collection strategies were survey, document reviews and interviews. A set of questionnaires in a 5-point Likert Scale was designed and administered by the research to elicit vital information useful for testing hypothesis. The research Questions were tested using means procedures while the hypotheses were tested using Z-score techniques. The findings revealed that Emotional Intelligence has significant impact on organisational role of Internal Auditors. It is recommended that internal auditor should make use of emotional intelligence competencies.

Keywords: Emotional Intelligence, Organisational Role, Internal Auditors.

1.0 INTRODUCTION

Internal Auditor is an important person in the attainment of organisational objectives. He has vital organisational roles to play. He is expected to objectively examine, evaluate and report to management and those charged with governance, on the adequacy of internal controls as a contribution to the proper, economic, efficient and effective use of resources. His organisational roles demand that he works with man and resources. He should also be knowledgeable not only in accounting and auditing but about his organisation and its environment. He should also possess some personal and social qualities which will enable him to perform satisfactorily his organisational roles.

Emotional intelligence helps one to manage himself and his relationship with others. Emotional intelligence also determines the potential for learning the practical skills which are based on five key elements: self-awareness, self regulation, and motivation, empathy and social skills (Goleman: 1999). Emotional states affect the way people handle issues and things, including work and family life. This paper, therefore, looks at the impact of emotional intelligence on the organisational roles of internal auditors.

1.1 Research Objective

The main objective of the study is to find out the impact it will have on the organisational roles of internal auditors, if they

(Internal Auditors) work with emotional intelligence competencies. To achieve this main objective, therefore, the following specific objectives are pursued:

- To find out the impact it will have on the organisational roles of Internal Auditors, if Internal Auditors work with personal competencies of Emotional Intelligence; and
- To find out whether the application of social competencies of Emotional Intelligence has an impact on organisational role of Internal Auditors.

1.2 Research Questions

- Do you think that Internal Auditors' use of personal competencies of emotional intelligences can impact on the organisational role of Internal Auditors?
- Do you think that Internal Auditors' use of social competencies of Emotional Intelligence can significantly influence their organisational role?
- Do you think that the Internal Auditors' use of emotional intelligence competencies can impact on their organisational role?

1.3 HYPOTHESES

The following Hypotheses were tested:

Hypothesis I

Ho: Internal Auditors' use of Personal Competencies of Emotional Intelligence has no significant impact on their organisational roles.

Ha: Internal Auditors' use of Personal Competencies of Emotional Intelligence has significant impact on the organisational roles.

Hypothesis II

Ho: Internal Auditors' use of social competencies of Emotional Intelligence has no significant impact on their organisational roles.

Ha: Internal Auditors' use of social competencies of Emotional Intelligence has significant impact on their organisational roles.

Research Hypothesis III

Ho: Emotional Intelligence has no significant impact on the organisational roles of Internal Auditors.

Ha: Emotional Intelligence has significant impact on the organisational roles of Internal Auditors.

1.4 The Scope of the Study

2.0 LITERATURE REVIEW

2.1 Theoretical Framework

The topic draws its theory from two different areas: Emotional intelligence concept is a branch of behavioral science theories which emphasise the psychological, social and human aspects of administration, that is to say, behavioral management theory is a study of how people should behave in order to encourage and enhance the achievement of the organisational goals. Behavioral sciences are bodies of knowledge which evolved from the contributions of psychology, anthropology and sociology (Agu,

2003). On the other hand, internal audit is a branch of the theory of management control which emphasises the need for review, examination, evaluation and report on management policies, plans and operations. It also draws from the theories of accounting and auditing (Okezie, 2004)

2.1.1 Emotional Intelligence

Emotional Intelligence (EI) is the ability to identify, assess, and control the emotions of oneself, of others, and of groups. It can be divided into *ability EI* and *trait EI*. Ability EI is usually measured using maximum performance tests and has stronger relationships with traditional intelligence, whereas trait EI is usually measured using self-report questionnaires and has stronger relationships with personality.

History of Emotional Intelligence

According to Bar-On (2006), the earliest roots of emotional intelligence can be traced to Charles Darwin's work on "*The Importance of Emotional Expression for Survival and Adaptation*." In the 1900s, even though traditional definitions of intelligence emphasised cognitive aspects such as memory and problem-solving, several influential researchers in the study of intelligence field had begun to recognise the importance of the non-cognitive aspects. Thorndike (1920) used the term social intelligence to describe the skill of understanding and managing other people. Similarly, Wechsler (1940) described the influence of non-intellective factors on intelligence behaviour, and further argued that our models of intelligence would not be complete until we could adequately describe these factors. Gardner (1983) in his "*Frames of Mind: The Theory of Multiple Intelligences*," introduced the idea of multiple intelligences which included both interpersonal intelligence (the capacity to understand the intentions, motivations and desires of other people) and intrapersonal intelligence (the capacity to understand oneself, to appreciate one's feelings, fears and motivations). According to Gardner (1983), traditional type of intelligence, such as Intelligence Quotient (IQ), fails to fully explain cognitive ability. Though the name given to the concept varied, there was a common belief that traditional definitions of intelligence were lacking in ability to fully explain performance outcomes. The first use of the term "emotional intelligence" is usually attributed to Payne (1985) in his doctoral thesis, "*A Study of Emotion: Developing Emotional Intelligence*." However, prior to this, the term "emotional intelligence" had appeared in Leuner (1966). Greenspan (1989) also put forward an EI model, followed by Salovey and Mayer (1990), and Goleman (1995). The distinction between trait emotional intelligence and ability emotional intelligence was introduced in 2000 (Petrides and Furnham, 2000). It has become necessary for feelings and emotions to be recognised as legitimate sources for skills. Intelligence quotient (IQ) and technical competencies are not enough to produce high performance; increasingly, work also requires emotional competencies. This is especially significant due to the expansion of the service sector of the economy. Emotional intelligence refers to the capacity for recognising own feelings, and those for motivating ourselves and for managing emotions well in ourselves and in our relationship (Goleman, 1998; Tyson and York, 2000). Intelligence quotient and emotional intelligence (EI) are not in opposition, but are different sets of competencies. Emotional intelligence requires knowing one's own emotions, managing

emotions, motivating oneself, recognising emotions in others and handling relationships successfully. Emotional intelligence skills can be developed and those who possess such skills are more likely to be effective, having ‘mastered the habits of mind that foster productivity’ (Goleman, 1996; Tyson and York 2000). The concept of emotional intelligence deals with how we manage ourselves and our relationship with others. It is broadly divided into personal and social competencies. It determines our potentials for learning practical skills.

Personal Competencies are the competencies which determine how we manage ourselves; it is made up of self awareness, Self regulation and motivation. Self awareness involves knowing one’s internal states, preferences, resources, and intuitions.

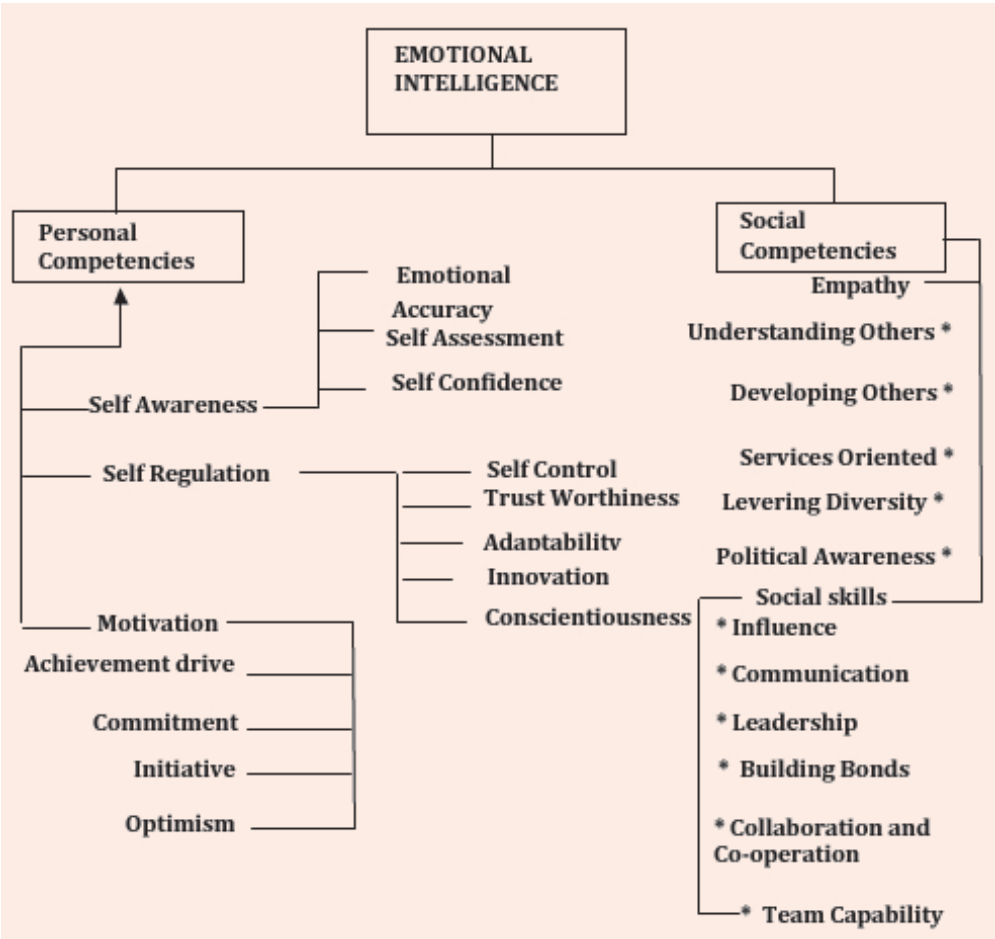
- Self awareness** is made up of:
- **Emotional awareness:** Recognising one’s emotions and their effects.
 - **Accurate self-assessment:** Knowing one’s strengths and limits.
 - **Self-confidence:** A strong sense of one’s self-worth and capabilities.

- Self-regulation** involves managing one’s internal states, impulses, and resources. This is made up of:
- **Self-control:** Keeping disruptive emotions and impulses in check.
 - **Trustworthiness:** Maintaining standards of honesty and integrity.
 - **Conscientiousness:** Taking responsibility for personal performance.
 - **Adaptability:** Flexibility in handling change.
 - **Innovation:** Being comfortable with new ideas, approaches, and new information.

- Motivation** involves emotional tendencies that guide or facilitate reaching goals. Motivation is made up of:
- **Achievement drive:** striving to improve or meet a standard of excellence.
 - **Commitment:** Aligning with the goals of the group or organisation.
 - **Initiative:** Readiness to act on opportunities.
 - **Optimism:** Persistence in pursuing goals despite obstacles and setbacks.

Social Competencies are competencies which determine how we handle relationships. **Empathy** involves awareness of others’ feelings, needs, and

Figure 1:



Source: Okezie (2004)

- concerns. It is made up of:**
- **Understanding others:** Sensing others’ feelings and perspectives, and taking an active interest in their concerns.
 - **Developing others:** Sensing others’ development needs and bolstering their abilities.
 - **Service orientation:** Anticipating, recognising, and meeting customers’ needs.
 - **Leveraging diversity:** Cultivating opportunities through different kinds of people.
 - **Political awareness:** Reading a group’s emotional currents and power relationships.

- Social skills are adeptness at inducing desirable responses in others they include:**
- **Influence:** Wielding effective tactics for persuasion.
 - **Communication:** Listening openly and sending convincing messages.
 - **Conflict management:** Negotiating and resolving disagreements.
 - **Leadership:** Inspiring and guiding individuals and groups.
 - **Change catalyst:** Initiating or managing change.
 - **Building bonds:** Nurturing instrumental relationships.
 - **Collaboration and cooperation:** Working with others

toward shared goals.

- **Team capabilities:** Creating group synergy in pursuing collective goals (Goleman: 1996)

2.1.2 INTERNAL AUDIT

Internal audit is an independent appraisal function within an organisation for the review of system of controls and quality of performance, as a service to the organisation. It objectively examines, evaluates and reports on the adequacy of internal controls as a contribution to the proper, economic and efficient and effective use of resources (Okezie, 2008)

Each internal auditor should have an objective attitude of mind and be in a sufficiently independent position to be able to exercise judgement, express opinions and make recommendations with impartiality.

The objectives of internal auditor could be summed up as follows:

- (a) The internal auditor should be free from any conflict of interest arising either from professional or personal relationships or from pecuniary or other interest in an organisation or activity, which is subject of audit.
- (b) The internal auditor should be free from any undue influences, which either restrict or modify the scope or conduct of his work or over-rule or significantly affect judgement as the content of the internal audit report.
- (c) The objectivity of the internal auditor may be impaired when auditing an activity for which he has had authority or responsibility.
- (d) An internal auditor should be consulted about proposed changes in systems of control and he may make recommendation on the standard of control to be applied.
- (e) Internal auditor should not normally undertake non-audit duties.

Finally, on the objective and scope of internal audit function, it should be noted that the terms of reference of the internal audit function should be formally agreed by the management of that organisation. It is important to note that:

- ★ The independence of internal audit is crucial to its effectiveness and is achieved through the organisational status of the internal audit unit and the objectivity of each individual internal auditor.
- ★ The scope should provide an unrestricted range of activity, that is to say, internal audit involves independent appraisal of controls over all operations and is aided by constructive working relationship with all other functions of the organisation and with external auditor or other review agencies (Okezie: 2008).
- ★ Internal audit resources should be sufficient to enable objective and professional standards to be achieved. This primarily means recruiting and training staff with appropriate qualities, qualifications and experience.

Internal Controls

Internal controls are the regulations of activities in an organisation through systems designed and implemented to

facilitate the achievement of management objective. Internal audit, as a service to the organisation, contributes to the internal control system by measuring evaluation and reporting to management on their effectiveness, both overall and in individual system. A system as, we are all aware, is a series of inter-related elements or procedures, composed of processes and controls, designed to operate together so as to achieve a planned objective.

Aims and objectives of system controls are:

- (a) To enable the organisation's business to be conducted in an orderly manner;
- (b) To ensure adherence to management policies and directives;
- (c) To promote the most economic, efficient and effective use of resources in achieving management's policies;
- (d) To ensure compliance with statutory requirements;
- (e) To secure as far as possible the completeness and accuracy of records; and
- (f) To safeguard assets (Okezie 2004).

Essential Elements of Internal Audit

The essential elements are:

(i) **Independence** — The internal auditor should have the independence which permits the performance of his duties objectively. The independence is achieved through the organisational status of internal audit and the objectivity of internal auditors.

(ii) **Staffing** — Internal auditors should possess or have access to the necessary skill and knowledge to fulfill its responsibilities. It should employ staff with varying types and levels of skill, qualification and experience in order to satisfy the requirements of each audit task. The effectiveness of internal audit may be enhanced by the use of specialist staff, particularly in the audit of activities of a technical nature, therefore, staff of the department may better be drawn from a variety of discipline. The Chief Internal Auditor should participate in the recruitment and selection of new entrants to internal audit department.

(iii) **Training** — The organisation should ensure that the internal auditor receives the training necessary for the full range of duties. Training should be directed to the needs of the individual auditor. This may cover both the theoretical knowledge and its practical application to situation, under the supervision of suitably competent and experienced internal auditors.

Internal audit staff training should consider:

- Internal audit objectives and priorities;
- The types of internal audit work;
- Previous training experience and qualification;
- Personal development in the light of the needs of the organisation and the internal audit unit.

Training for the staff of internal audit department should be planned on a continues bases and at all levels and its covers:

- (i) **Basic Training** — which provides basic auditing principles and practices which an internal auditor should possess;
- (ii) **Development Training** — which provides general audit skills, techniques and behavioural aspects, to improve the effectiveness of those currently employed in the department;

(iii) **Special Training** — which is provided to those responsible for activities in special areas such as computer auditing, efficiency auditor, etc. The chief internal auditor should co-ordinate and keep under review, the training requirement of internal auditors.

(iv) **Relationship** — the internal auditor should seek to foster constructive working relationship and mutual understanding with management, with external auditors and with any review agencies and where appropriate, with the Audit Committee.

(v) **Due Care** — the internal auditor should exercise due care, skill and diligence in fulfilling his responsibilities. In order to demonstrate that due care has been exercised the internal auditor should be able to show that his work has been performed satisfactorily and according to approved auditing guidelines.

(vi) **Planning, Controlling and Recording** — the internal auditor should plan, record and control his works, according to the approved auditing guidelines. Adequate internal audit planning will:

- ★ Determine priorities and establish the most cost-effective means of achieving audit objectives;
- ★ Assist in the direction and control of audit work;
- ★ Help ensure that attention is paid to critical aspect of the audit work; and
- ★ Help ensure that work is completed in accordance with predetermined target.

(vii) **Control** of the internal audit unit and of individual assignments is needed to ensure that audit unit objectives are achieved and work is performed effectively. The most important elements of control are the direction and supervision of the internal audit staff and review of their work, depending on the nature and complexity of the audit assignment and experience, qualification and proficiency of the internal audit staff.

(viii) **Recording** — is made to ensure that audit work:

- ★ Delegated to staff has been properly performed;
- ★ Has working papers for future reference and evidence for work performed;
- ★ Provides methodical approach for control and review of audit work.

(ix) **Systems Controls** — the Internal Auditor should ascertain the organisation's systems and system controls as a basis for evaluation and reporting.

(x) **Evidence** — the Internal Auditor obtain sufficient, relevant and reliable evidence on which to base reasonable conclusion and recommendations.

(xi) **Reporting** — the Internal Audit or should ensure that his findings, conclusions and recommendations arising from each internal audit assignment are communicated promptly.

Role of Internal Auditors in an Organisation

It has been identified that Internal Audit Standards cover professional proficiency, scope of work, performance management and most importantly independence. The Institute of Internal Auditors has produced a series of standards covering all areas of internal auditing. The standards comprise five general standards supported by the more specific standards with accompanying guidance. These standards define the roles expected of internal auditors in an organisation.

The scope of internal audit activities include:

- Examination and evaluation of financial operating

information;

- Review of the economy, efficiency and effectiveness of operations including non-financial activities;
- Special investigations including fraud preventions, detection and investigations;
- Risk assessments;
- Review of compliance with external laws and regulations;
- Review of the authorisation of transactions;
- Review of internal policies and procedures;
- Review, monitor, and make recommendations on the improvement of systems and controls.

3.00 METHODOLOGY

The framework for this research is to empirically ascertain whether the internal auditors' adoption of emotional intelligence competencies has any impact on their organisational roles. The target population of this study consists of the entire staff of the internal audit unit of key federal institutions in Owerri: Federal Polytechnic Nekede, Federal University of Technology, Alvan Ikoku Federal College of Education and Federal Medical Centre. The researcher adopted judgement sampling techniques in the collection of data. The four federal institutions in Owerri were studied and ten equal slots were allocated to each organisation, that is, a total of forty (40) respondents. The adopted methodology took cognisance of only key staff of internal audit units. These include: The Director, Deputy Director of Internal Audit and eight other Senior Internal Auditors in each of the organisations.

Three major data collection strategies employed were: survey (questionnaires), document reviews, and interviews. Two main data sources employed for the study were primary and secondary data. Two main instruments used here were oral interview and survey questionnaire designed by the researcher.

Questionnaire Design: A set of questionnaires in a Five (5) Point likert scale was designed by the researcher to elicit vital information useful for testing of the hypotheses. The questionnaire contained mainly closed ended questions for ease of analysis. A total of sixteen (16) questions drawn from all the aspects of the study, were attended to by the respondents.

3.01 Data Presentation and Analysis Methods

After processing our responses, we then proceeded to analyse the data using non-parametric tests. We used means procedure test method to test our research questions while the Hypotheses were tested using Z-test method. The data for the study was drawn from a single population which means that a single means can be calculated. The mean of the responses is calculated and compared with the expected value of the responses. The formulae for the mean is:

$$\bar{X}_f = \frac{\sum X_f}{f}$$

Where X = Responses

F = Sample size or number of observation

The expected value of the responses is calculated by summing up the value of the options and dividing them by the total number

of options. Thus:

$$\frac{SA + A + UD + D + SD}{n}$$

Where

- SA = Strongly Agreed
- A = Agreed
- UD = Undecided
- D = Disagree
- SD = Strongly Disagree
- n = Number of Options

Decision Rule: Accept the proposition of research question if the mean of the responses is greater than the expected value and reject the alternative. Reject the proposition and accept the alternative if the mean is less than the expected value. The tests of hypotheses involved the use of one-sample Z-test for hypotheses that involved one population mean, while we used two-sample Z-test for those involving two population means. The test statistic that is the z-calculated value for the one-sample z-test is obtained as:

$$Z\text{-Calculated} = \frac{\bar{x} - \mu}{\sqrt{\frac{\sigma^2}{n}}} = \sqrt{\frac{n(\bar{x} - \mu)^2}{\sigma^2}}$$

Where

- \bar{x} = sample or observed mean;
- μ = expected or hypothesised mean;
- σ^2 = variance; and
- n = sample size

4.00 DATA PRESENTATION AND ANALYSES

Here we present and analyse the data collected from our survey.

Research Question 1

Do you think that the Internal Auditors' use of personal competencies of emotional intelligence can impact on their

organisational roles?

Research Question 1 considers the impact of personal competencies on the organisational roles of Internal Auditors. The researcher looked at nine (9) items-question covering all the aspects of personal competencies of emotional intelligence. The questions are homogeneous and they all propose that personal competencies of Emotional Intelligence can impact on Internal Auditors Organisational Role. **Table 1** shows the results obtained using the Means, Procedure. From the table, it is observed that all the nine (9) items have mean scores greater than or equal to the expected value of 3.

$$\frac{5 + 4 + 3 + 2 + 1}{5} = \frac{15}{5} = 3.00$$

On a 5-point Likert Scale. This means that in all the elements considered, the respondents consistently maintained that personal competencies of emotional intelligence can impact on the organisational roles of internal auditors. The respondents rated self-Assessment, (4.6); Emotional Accuracy (4.2); Conscientiousness; (4.1) and adaptability and Innovation (4.0) as the elements of personal competencies which can impact significantly on the roles of Internal Auditors. These are followed by self confidence (3.8), self control (3.8) and Initiative and optimism (3.2). According to the rating of the respondents, trustworthiness (3.0) and Achievement Drive and commitment (3.0) are factors that have the least impact on the organisational roles of Internal Auditors. **Table 1** also shows that the overall means score for the nine (9) elements under consideration is 3.78 which is greater than the expected value of 3.00 in a 5-point Likert Scale. Consequently, we conclude that personal competencies of emotional intelligence impact significantly on the organisational role of internal auditors.

Research Question 2

Do you think that Internal Auditors' use of social competencies of emotional intelligence can impact on their organisational roles?

Research Question 2 looks at the impact of Social Competencies of emotional intelligence (EI) on the organisational roles of internal auditors. The researcher considered seven (7) items-question covering all the basic elements of social competencies of emotional intelligence. The questions are homogeneous and they all propose that social competencies of emotional intelligence can impact on organisational roles of internal auditors.

Table 2 shows the results obtained from our survey using the means procedure. From the table, it is observed that all the seven (7) elements have means score greater than the expected value of 3.00. This means that in all the seven (7) items, the respondents maintained that social competencies of emotional intelligence impact on the organisational role of internal auditors. The respondents rated; change catalyst and Building Bonds (4.7), collaboration co-operation and teams capabilities (4.3),

Table 1:

Means Procedure for Impact of Personal Competencies

ITEMS	Means	STDEV	OBS
Item 1 – Emotional Accuracy	4.10	1.0770	40
Item 2 – Self-Assessment	4.60	0.495	40
Item 3 – Self Confidence	3.80	0.6164	40
Item 4 – Self Control	3.80	0.8718	40
Item 5 – Trust Worthiness	3.00	1.0954	40
Item 6 – Conscientiousness	4.10	0.9434	40
Item 7 – Adaptability and Innovation	4.00	1.0000	40
Item 8 – Achievement Drive and Commitment	3.00	1.0954	40
Item 9 – Initiative and Optimism	3.20	1.2490	40
Personal Competencies	3.78	1.1030	40

Source: Survey Data 2013

Table 2:
Means Procedures on the Impact of Social Competencies

ITEMS	Means	STDEV	OBS
Item 10 – Understanding and developing others	3.4	1.3078	40
Item 11 – Service Orientation and Leveraging in diversity	4.1	0.9434	40
Item 12 – Political Awareness	3.8	1.077	40
Item 13 – Influence and Communication	3.3	0.90	40
Item 14 – Conflict Management and Leadership	3.8	0.8718	40
Item 15 – Change Catalyst and Building Bonds	4.7	0.4583	40
Item 16 – Collaboration, Co-operation and Team Capabilities	4.3	0.6403	40
Social Competencies	3.91	1.0385	40

Source: Survey Data 2013

Table 3:
Impact of Emotional Intelligence

ITEMS	Means	STDEV	OBS
Personal Competencies	3.78	1.1031	40
Social Competencies	3.91	1.0385	40
Emotional Intelligence	3.8	1.0782	40

Source: Survey Data 2013

Table 4:
One Sample Z–Test for Hypothesis 1 on Personal Competencies

VARIABLE	Personal Competencies
Mean	3.75
Standard deviation	1.103
Observation(n)	40.0
Hypothesised mean	3.00
Z – calculated	5.3185
Z – tabulated	1,6449

Source: Survey Data 2013

Service Orientation and leveraging in diversity (4.1) as the elements which influence significantly the organisational roles of Internal Auditors. These are followed in rating by Political Awareness (3.8); Conflict Management and leadership (3.8), Understanding and Developing others (3.4), Influence and Communication (3.8). *Table 2* also shows that the overall mean score for the seven (7) elements under consideration is (3.9) which is greater than the expected value of 3.00 on a 5-point Likert Scale. Consequently, we conclude that social competencies impact on the internal auditors' organisational role.

Research Question 3

Do you think that the Internal Auditors' use of emotional intelligence competencies can impact on their organisational roles?

Table 3 considers the overall impact of emotional intelligence on the organisational roles of internal auditors. Social competencies are rated 3.91 followed by personal competencies which are rated 3.78. All these are greater than expected value of 3.00. On the overall, emotional intelligence is rated 3.8 which means that it has significant influence on the organisational roles of internal Auditors.

TESTS OF HYPOTHESES

Under this heading we tested the hypotheses already stated. However for clarity of purpose, they are restated here.

HYPOTHESIS 1

Ho: Internal Auditors' use of personal competencies of Emotional Intelligence has no significant impact on their organisational roles.

Ha: Internal Auditors' use of personal competencies of Emotional Intelligence has significant impact on their organisational roles.

From *Table 4* above, the overall mean score for the nine (9) elements under consideration is 3.78 which is greater than the expect value of 3.00 on a 5-point Likert scale, with a Z-calculated value of 5.3185 which is greater than Z-tabulated of 1.6449. Thus since Z-calculated is greater Z-tabulated at 5% significant level; we therefore reject the null hypothesis and accept the alternative hypothesis. Consequently we conclude that internal auditors' use of personal Competencies of emotional intelligence has significant impact on their organisational roles.

HYPOTHESIS 2

Ho: Internal auditors' use of social competencies of emotional intelligence has no significant impact on their organisational roles.

Ha: Internal auditors' use of social competencies of emotional intelligence has significant impact on their organisational roles.

Table 5 shows that the overall mean score for the seven (7) items under consideration is 3.91, which is greater than the expected value of 3.00, on a 5-point Likert scale. The Z-calculated Value is 5.920 while the Z-tabulated is 1.6449 at 5% significant level. Since the Z-calculated is greater than Z-tabulated, we therefore, reject the null hypothesis and accept the alternative hypothesis. Consequently we conclude that Internal auditors' use of social competencies of emotional intelligence has significant impact on their organisation roles.

HYPOTHESIS 3

Ho: Emotional Intelligence has no significant impact on the organisational roles of Internal Auditors.

Table 5:
One Sample Z-test for Hypothesis 2 on Social Competencies

VARIABLE	Social Competencies
Mean (x)	3.9100
Standard deviation	1.1085
Observation(n)	40.000
Hypothesised mean(μ)	3.0000
Z – calculated	5.9200
Z – tabulated	1,6449

Source: Survey Data 2013

Table 6:
One Sample Z-test for Hypothesis 3 on Emotional Intelligence

VARIABLE	Emotional Intelligence
Mean	3.8
Standard deviation	1.0782
Observation(n)	40.0
Hypothesised mean	3.0
Z – calculated	5.479
Z – tabulated	1.6449

Source: Survey Data 2013

Ha: Emotional Intelligence has significant impact on the organisational roles of Internal Auditors.

Table 6 shows that the overall mean score for the sixteen (16) elements under consideration is 3.8, which is greater than expected value of 3.0 on a 5-point Likert Scare. The Z-calculated value is 5.4479 which is also greater than Z-tabulated value 1.6449. We therefore reject the null hypothesis and accept the alternative hypothesis. Consequently, we conclude that Emotional Intelligence has Significant impact on the organizational roles of internal auditors.

CONCLUSION

This research considered the impact of Emotional Intelligence on the organisational role of Internal Auditors. The conclusions reached are based on empirical results, which we feel, are reliable and justifiable:-

1. The results show that Internal Auditors’ use of personal competencies of Emotional Intelligence has significant impact on their organisational role. We draw this conclusion from the research questions asked and result of the hypothesis tested.

2. Based on the result of the test of hypothesis, it was also concluded that Internal Auditors’ use of social competencies of Emotional Intelligence (EI) will influence their relationship with co-workers and then impact on their organisational role.

3. In all, it is found that Emotional Intelligence has significant impact on the organisational role of Internal Auditors.

RECOMMENDATIONS

The following are recommended:

(1) Internal Auditors should embrace personal competencies of Emotional Intelligence which would enable them to manage themselves and perform the roles better.

(2) Internal Auditors should work with social competencies since their work involves working with others.

(3) On the overall, Internal Auditor should work with Emotional Intelligence, given the nature and scope of their work in an organisation.

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Appendix 1:
ANALYSIS OF RESPONSES ACCORDING TO QUESTIONS

Personal Competencies	SA	A	UD	D	SA	OBS
Question 1	24	4	8	4	-	40
Question 2	24	16	-	-	-	40
Question 3	8	28	4	-	-	40
Question 4	8	20	8	4	-	40
Question 5	4	8	16	8	4	40
Question 6	20	4	16	-	-	40
Question 7	16	12	8	4	-	40
Question 8	4	8	16	8	4	40
Question 9	8	8	12	8	4	40
	116	108	88	36	12	360
Social Competencies						
Question 10	8	16	8	-	8	40
Question 11	16	16	4	4	-	40
Question 12	12	16	4	8	-	40
Question 13	0	20	16	-	4	40
Question 14	8	20	8	4	-	40
Question 15	28	12	-	-	-	40
Question 16	16	20	4	-	-	40
	88	120	44	16	12	280
Emotional Intelligence	204	228	132	52	24	640

Appendix 2:
COMPUTATION OF Z-SCORE FOR THE THREE HYPOTHESES

The formulae for z- score is

$$\sqrt{\frac{n (x - \mu)}{\sigma}}$$

Personal Competencies: Hypothesis 1

Given that:

\bar{x}	=	3.78
μ	=	3.00
σ	=	1.103
n	=	40.0
	=	$\sqrt{40 (3.78 - 3.0)}$
Z	1.103	= 5.3185

Social Competencies: Hypothesis 2

Given that:

\bar{x}	=	3.91
μ	=	3.00
σ	=	1.0382
n	=	40
	=	$\sqrt{40 (3.91 - 3.0)}$
Z	1.0385	= 5.920

Emotional Intelligence: Hypothesis 3

Given that:

\bar{x}	=	3.8
μ	=	3.0
σ	=	1.0782
n	=	40
	=	$\sqrt{40 (3.8 - 3.0)}$
Z	1.0782	= 5.4479

Appendix 3:
CALCULATION OF MEAN FOR PERSONAL COMPETENCIES

					\bar{x}
Q1	$\frac{24 \times 5 + 4 \times 4 + 8 \times 3 + 4 \times 2 + 0 \times 1}{40}$	=	$\frac{168}{40}$	=	4.2
Q2	$\frac{24 \times 7 + 16 \times 4 + 0 \times 3 + 0 \times 2 + 0 \times 1}{40}$	=	$\frac{184}{40}$	=	4.6
Q3	$\frac{8 \times 5 + 28 \times 4 + 4 \times 3 + 0 \times 2 + 0 \times 1}{40}$	=	$\frac{152}{40}$	=	3.8
Q4	$\frac{8 \times 5 + 20 \times 4 + 8 \times 3 + 4 \times 2 + 0 \times 1}{40}$	=	$\frac{152}{40}$	=	3.8
Q5	$\frac{4 \times 5 + 8 \times 4 + 16 \times 3 + 8 \times 4 + 4 \times 1}{40}$	=	$\frac{120}{40}$	=	3.0
Q6	$\frac{20 \times 5 + 4 \times 4 + 16 \times 3 + 0 \times 2 + 0 \times 1}{40}$	=	$\frac{164}{40}$	=	4.1
Q7	$\frac{16 \times 5 + 12 \times 4 + 8 \times 3 + 4 \times 2 + 4 \times 1}{40}$	=	$\frac{160}{40}$	=	4.0
Q8	$\frac{4 \times 5 + 8 \times 4 + 16 \times 3 + 8 \times 2 + 4 \times 1}{40}$	=	$\frac{120}{40}$	=	3.0
Q9	$\frac{8 \times 5 + 8 \times 4 + 12 \times 3 + 8 \times 2 + 4 \times 1}{40}$	=	$\frac{128}{40}$	=	3.2
Overall for Personal Competencies					
	$\frac{116 \times 5 + 108 \times 4 + 88 \times 3 + 36 \times 2 + 12 \times 1}{360}$	=	$\frac{1360}{360}$	=	3.78
Q10	$\frac{8 \times 5 + 16 \times 4 + 8 \times 3 + 0 \times 2 + 8 \times 1}{40}$	=	$\frac{136}{40}$	=	3.4
Q11	$\frac{16 \times 5 + 16 \times 4 + 4 \times 3 + 4 \times 2 + 0 \times 1}{40}$	=	$\frac{164}{40}$	=	4.1
Q12	$\frac{12 \times 5 + 16 \times 4 + 4 \times 3 + 8 \times 2 + 0 \times 1}{40}$	=	$\frac{152}{40}$	=	3.8
Q13	$\frac{0 \times 5 + 20 \times 4 + 16 \times 3 + 0 \times 2 + 4 \times 1}{40}$	=	$\frac{132}{40}$	=	3.3
Q14	$\frac{8 \times 5 + 20 \times 4 + 8 \times 3 + 4 \times 2 + 0 \times 1}{40}$	=	$\frac{152}{40}$	=	3.8
Q15	$\frac{28 \times 5 + 12 \times 4 + 0 \times 3 + 0 \times 2 + 0 \times 1}{40}$	=	$\frac{188}{40}$	=	4.7
Q16	$\frac{16 \times 5 + 20 \times 4 + 4 \times 3 + 0 \times 2 + 0 \times 1}{40}$	=	$\frac{172}{40}$	=	4.3
Social Competencies (Overall)					
	$\frac{88 \times 5 + 120 \times 4 + 44 \times 3 + 16 \times 2 + 12 \times 1}{280}$	=	$\frac{1096}{280}$	=	3.91
Emotional Intelligence (Overall)					
	$\frac{204 \times 5 + 228 \times 4 + 132 \times 3 + 52 \times 2 + 24 \times 1}{640}$	=	$\frac{2456}{640}$	=	3.84

Appendix 4:
CALCULATION OF STANDARD DEVIATION

Question 1 — Emotional Accuracy

	x	\bar{x}	d	d^2	f	fd^2
S	5	4.2	0.8	0.64	24	15.36
A	4	4.2	-0.2	0.04	4	0.16
UD	3	4.2	-1.2	1.44	8	11.16
D	2	4.2	-2.2	4.84	4	19.36
Σ					40	46.4

$$\sigma = \sqrt{\frac{\Sigma fd^2}{\Sigma f}} = \sqrt{\frac{46.40}{40}} = 1.077$$

Question 2 — Self Assessment

	x	\bar{x}	d	d^2	f	fd^2
SA	5	4.6	0.4	0.16	24	3.84
A	4	4.6	0.6	0.36	16	5.96
Σ					40	9.80

$$\sigma = \sqrt{\frac{9.80}{40}} = 0.495$$

Question 3 — Self Confidence

	x	\bar{x}	d	d^2	f	fd^2
SA	5	3.8	1.2	1.44	8	11.52
A	4	3.8	0.2	0.04	28	1.12
D	3	3.8	0.8	0.64	4	2.56
Σ					40	15.2

$$\sigma = \sqrt{\frac{15.2}{40}} = 0.6164$$

Question 4 — Self Control

	x	\bar{x}	d	d^2	f	fd^2
SA	5	3.8	1.2	1.44	8	11.52
A	4	3.8	0.2	0.04	20	0.8
UD	3	3.8	-0.8	0.64	8	5.12
D	2	3.8	-1.8	3.24	4	12.96
Σ					40	30.40

$$\sigma = \sqrt{\frac{30.4}{40}} = 0.8718$$

Question 5 — Trust Worthiness

	x	\bar{x}	d	d^2	f	fd^2
SA	5	3.0	2.0	4.0	4	16
A	4	3.0	1.0	1.0	8	8
UD	3	3.0	0.0	0.0	16	0
D	2	3.0	-1.0	1.0	8	8
SD	1	3.0	-2.0	4.0	4	16
Σ					40	48

$$\sigma = \sqrt{\frac{48}{40}} = 1.0954$$

Question 6 — Conscientiousness

	x	\bar{x}	d	d^2	f	fd^2
SA	5	4.1	0.9	0.81	20	16.20
A	4	4.1	-0.1	0.01	4	0.04
UD	3	4.1	-1.1	1.21	16	19.36
Σ					40	35.60

$$\sigma = \sqrt{\frac{35.6}{40}} = 0.9434$$

Question 7 — Adaptability

	x	\bar{x}	d	d^2	f	fd^2
SA	5	4.0	1.0	1.0	16	16.0
A	4	4.0	0.0	0.0	12	0.0
UD	3	4.0	-1.0	1.0	8	8.0
D	2	4.0	-2.0	4.0	4	16.0
Σ					40	40.0

$$\sigma = \sqrt{\frac{40}{40}} = 1.0$$

Question 8 — Commitment

	x	\bar{x}	d	d^2	f	fd^2
SA	5	3.0	2.0	4.0	4	16.0
A	4	3.0	1.0	1.0	8	8.0
UD	3	3.0	0.0	0.0	16	0.0
D	2	3.0	-1.0	1.0	8	8.0
SA	1	3.0	-2.0	4.0	4	16.0
Σ					40	48.0

$$\sigma = \sqrt{\frac{48}{40}} = 1.0954$$

Question 9 — Initiative & Optimism

	x	\bar{x}	d	d ²	f	fd ²
SA	5	3.2	1.8	3.24	8	25.92
A	4	3.2	0.8	0.64	8	5.12
UD	3	3.2	- 0.2	0.04	12	0.48
D	2	3.2	- 1.2	1.44	8	11.52
SD	1	3.2	- 2.2	4.84	4	19.36
Σ					40	62.40

$$\sigma = \sqrt{\frac{62.4}{40}} = 1.249$$

Overall for Personal Competencies

	x	\bar{x}	d	d ²	f	fd ²
SA	5	3.78	1.22	1.4884	116	172.6544
A	4	3.78	0.22	0.0484	108	5.2272
UD	3	3.78	-0.78	0.6084	88	53.5392
D	2	3.78	-1.78	3.1684	36	114.0624
SD	1	3.78	2.78	7.7284	12	92.7408
Σ					360	438.2240

$$\sigma = \sqrt{\frac{438.224}{360}} = 1.103$$

Question 10 — Understanding

	x	\bar{x}	d	d ²	f	fd ²
SA	5	3.4	1.6	2.56	8	20.48
A	4	3.4	0.6	0.36	16	0.576
UD	3	3.4	- 0.4	0.16	8	1.28
SD	1	3.4	- 2.4	5.76	8	46.08
Σ					40	68.416

$$\sigma = \sqrt{\frac{68.416}{40}} = 1.3078$$

Question 11 — Service Orientation

	x	\bar{x}	d	d ²	f	fd ²
SA	5	4.1	0.9	0.81	16	12.96
A	4	4.1	0.1	0.01	16	0.16
UD	3	4.1	0.1	1.21	4	4.84
D	2	4.1	1.1	4.41	4	17.64
Σ					40	35.60

$$\sigma = \sqrt{\frac{35.60}{40}} = 0.9434$$

Question 12 — Political Awareness

	x	\bar{x}	d	d ²	f	fd ²
SA	5	3.8	1.2	1.44	12	17.28
A	4	3.8	0.2	0.04	16	0.64
UD	3	3.8	- 0.8	0.64	4	2.56
D	2	3.8	- 1.8	3.24	8	25.92
Σ					40	46.40

$$\sigma = \sqrt{\frac{46.40}{40}} = 1.077$$

Question 13 — Influence

	x	\bar{x}	d	d ²	f	fd ²
A	4	3.3	0.7	0.49	20	9.80
UD	3	3.3	- 0.3	0.9	16	1.44
SD	1	3.3	- 2.3	5.29	4	21.16
Σ					40	32.40

$$\sigma = \sqrt{\frac{32.40}{40}} = 0.9$$

Question 14 — Conflict Management

	x	\bar{x}	d	d ²	f	fd ²
SA	5	3.8	1.2	1.44	8	11.52
A	4	3.8	0.2	0.04	20	0.80
UD	3	3.8	- 0.8	0.64	8	5.12
U	2	3.8	- 1.8	3.24	4	12.96
Σ					40	30.40

$$\sigma = \sqrt{\frac{30.4}{40}} = 0.8718$$

Question 15 — Change Catalyst

	x	\bar{x}	d	d ²	f	fd ²
SA	5	4.7	0.3	0.09	28	2.52
A	4	4.7	- 0.7	0.49	12	5.88
Σ					40	8.40

$$\sigma = \sqrt{\frac{8.40}{40}} = 0.4583$$

Question 16 — Co-operation

	x	\bar{x}	d	d ²	f	fd ²
SA	5	4.3	0.7	0.49	16	7.84
A	4	4.3	0.3	0.09	20	1.80
UD	3	4.3	1.3	1.69	4	6.76
Σ					40	16.4

$$\sigma = \sqrt{\frac{16.4}{40}} = 0.6403$$

Overall for Social Competencies

	x	\bar{x}	d	d ²	f	fd ²
SA	5	3.91	1.09	1.1881	88	104.5528
A	4	3.91	0.09	0.0081	120	0.9720
UD	3	3.91	0.91	0.8281	44	36.4364
D	2	3.91	1.91	3.6481	16	58.3696
SD	1	3.91	2.91	8.4681	12	101.6172
Σ					280	301.9480

$$\sigma = \sqrt{\frac{301.948}{280}} = 1.03845$$

Emotional Intelligence

	x	\bar{x}	d	d ²	f	fd ²
SA	5	3.8	1.2	1.44	204	293.76
A	4	3.8	0.2	0.04	228	9.12
UD	3	3.8	- 0.8	0.64	132	84.48
U	2	3.8	- 1.8	3.24	52	168.48
SD	1	3.8	- 2.8	7.84	24	188.16
Σ					640	744.00

$$\sigma = \sqrt{\frac{744}{640}} = 1.0782$$

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Highlights of ICAN–CIPFA Partnership for Public Financial Management

The Understanding entered into by the **Institute of Chartered Accountants of Nigeria (ICAN)** and the **Chartered Institute of Public Finance and Accountancy (CIPFA)**, United Kingdom is set to open a new vista for Public Financial Management in Nigeria. The MoU outlines the future co-operative relationship between the two Institutes which seeks to improve the governance of public finance in the country and helps to improve the training options for those in the accountancy profession. Of particular significant is that the collaboration would create professional development routes into CIPFA membership for ICAN members to be awarded Chartered Public Finance Accountant (CPFA) qualification.

Key Benefits to ICAN Members

- ★ ICAN members in good standing who are working in Government or the Public Sector with five year’s post qualification experience are to be accorded full membership of CIPFA, entitling them to use the CIPFA designation. This means direct full membership for experienced ICAN members.
- ★ Other ICAN members in good standing and working in Government or the Public Sector with less than five year’s post qualification experience are to become Affiliate Members of CIPFA.
- ★ Affiliate members who wish to progress to full membership before five year’s requirement would complete a scheme of training in Public Sector Finance Management to be determined and jointly executed by CIPFA and ICAN.
- ★ ICAN is to collaborate with CIPFA to provide appropriate training options for members of the Institute’s Public Finance Management Faculty.
- ★ ICAN is also to promote membership opportunities to CIPFA members working in the Public Sector and also assist CIPFA to identify suitable candidates for immediate membership.
- ★ The partnership is exclusively with ICAN and it remains the only professional accountancy body with which CIPFA will collaborate with in Nigeria on this project.

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9th Western Zonal Districts' Conference

ICAN Seeks More Involvement of Accountants in Policy Formulation

The Institute of Chartered Accountants of Nigeria (ICAN) has appealed to government at Federal, State and Local levels to increase the involvement of professional accountants in developing and implementing public policies and programmes to stimulate development.

The Institute also called on politicians to improve the living conditions of the masses as priority for sustainable development.

The appeal was contained in the communiqué issued at the end of the 9th Western Zonal Districts' Conference of ICAN held in Oyo town recently.

Participants also appealed to agencies of government to develop a robust database where they could have access to a pool of information required for planning and development of the nation and for the improvement of the living standard of the masses.

In order to boost agriculture, government was advised to initiate capacity building for all levels of farmers in the area of demonstrations, awareness, exposure and risk inherent in agricultural venture, so as to have in-depth understanding of agricultural value chain.

Participants advised the Institute on the need to restructure the Information Technology Department at its Secretariat and recruit competent staff, as well as review the department's structure to integrate all operations of the Institute. This, they posited would assist in achieving maximum efficiency and accuracy earnestly desired in capturing and reporting members and students financial and training activities with the Institute.

Furthermore, the Institute recommended that the requirement of yearly update of members' profile should be jettisoned, as it was cumbersome and frustrating.

Participants called for review of the section ICAN Bye-Law dealing with succession in districts leadership. It was recommended

that a seamless transition plan requiring the Vice-Chairman to automatically succeed an out-going Chairman, as is the case with the Presidency at the national level, be enshrined.

On the welfare of members, ICAN was advised to make moves to persuade or lobby the government to introduce special remuneration package for its members in the public sector to enable them enjoy what their contemporaries in other professions enjoy through special salary scale.

In the same vein, professional accountants were advised to use



President, Institute of Chartered Accountants of Nigeria (ICAN), Mr. Chidi Ajaegbu; His Royal Majesty, Oba Lamidi Adeyemi III, Alaafin of Oyo; and ICAN's Vice President, Otunba Olufemi Deru during ICAN's 9th Western Zonal Accountants Conference in Oyo State

the instruments of their discipline to encourage and promote good governance, stimulate citizens' conscience and awareness by using accounting information, for better disclosure and deployment of resources wherever they find themselves. They were also advised to adhere strictly to their codes of conduct and ethics to avoid contributing to bad governance and insecurity.

In order to guide against professional accountants not being competitive among professionals around the world, members were encouraged to develop other soft skills that would make them relevant and competitive in today's global economy. ●

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OPTIONAL MODULE

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- ◊ Point of Sales

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THE INSTITUTE OF CHARTERED ACCOUNTANTS OF NIGERIA

Interim Report of Stewardship

By President/Chairman of Council, **Mr. Chidi O. Ajaegbu, FCA**
50th President of ICAN

INTRODUCTION

The 2014/2015 presidential year is very significant in the annals of our Institute as it ushered us into our 50th year of existence or what is generally known as golden jubilee. I feel highly honoured to be the President of ICAN at this auspicious time. Since the presidential year commenced with promises and expectations I feel it is proper that we review our activities.

TEN MONTHS STEWARDSHIP REPORT

1. 19th IFAC World Congress was held in Rome, Italy between November 9–13, 2014 with the theme *“2020 Vision: Learning From the Past, Building the Future.”* It was attended by 950 chartered accountants. The Institute which provided two resource persons at the technical sessions, was Academic Partner/Sponsor of the Congress at which I presented an award to the winners of the Academic Research Award. In preparation for the Congress, a successful pre-Congress workshop was held at the Agip Hall MUSON Centre on October 8, 2014.

2. 44th Annual Accountants’ Conference was held at the International Conference Centre and the Sheraton Hotel and Towers, Abuja between September 8 and 11, 2014 with the theme *“Protecting the Public Interest – Enhancing Professionalism”* declared open by the Minister of Finance, Dr. Ngozi Okonjo-Iweala. Then IFAC president Warren Allen was a special guest of honour and he presented the lead paper. It was attended by a total of 3,925 delegates from within and outside the country and well covered by the media.

3. Contributions to Educational Development – Lecture Theatre Project: Council approved the construction of lecture theatres in five selected tertiary institutions across the country as follows: Obafemi Awolowo University (OAU), Ile-Ife; Northwest University, Kano; University of Benin (Uniben); University of Nigeria (UNN), Enugu Campus; and Federal University, Birnin Kebbi. The ones to be built in Uniben and OAU should, respectively, be named after Chief Garrick Sunday Aghahowa, FCA (MB00003) and Balogun J.O.O. Omidiora, BSc, FCA, OON, Chairman, BPP. The Foundation Stone Laying ceremonies have been performed in OAU, Uniben, Northwest University and UNN and the buildings have reached advanced stages.



4. Advocacy Initiatives: In promotion and defence of the public interest, the Institute has issued some Advocacy Papers:

- Communiqué of the Symposium on the 2014 FGN Budget (*The Guardian*, Thursday, July 31, 2014)
 - A Case for Joint Audit (*The Guardian*, Monday, August 25, 2014).
 - Case for Mergers of Small and Medium-sized Accounting Firms in Nigeria (*The Guardian*, Wednesday, September 24, 2014).
 - Cushioning Oil Price Shock: Rethinking Policy Alternatives for Nigeria (*The Guardian*, December 10, 2014).
 - Executives serving on Audit Committees (To be published shortly).
- Many more will be issued in the days ahead.

5. Tribunal Sitzings: Council resuscitated the practice of inviting the press to its Tribunal sittings to show that the Institute does not condone any professional misdemeanour and that it does not have sacred cows. A total of eight sittings were held as at the time of this report.

6. Public Service Seminars: Council organised non-fee training sessions as follows:

- A case for mandatory joint Audit.
- IFRS for Audit committee members of listed companies.
- Not-for-profit entities.
- Anti-Corruption workshop.

They will be replicated in other major cities of the country after the Federal elections.

7. Whistleblowers’ Fund: The Institute recently created N50million 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 fund will basically provide support for members who suffer victimisation for defending the ideals of the Institute.

8. Annual Budget Symposium: The Institute organised a Symposium on the 2014 Annual Budget of the Federal Government of Nigeria during which presentations were made by Dr. Bright Okogu, Director-General, Budget Office of the Federation, The ICAN Presidency and other eminent resource persons. A communiqué was sent to government and also widely circulated.

9. Follow up of the Visit to the President and Commander-

in-Chief: The Immediate Past President led a delegation of the Institute to pay a courtesy call on the President, Commander-in-Chief of the Armed Forces, Dr. Goodluck Ebele Jonathan, GCFR at the Aso Rock Villa in April, 2014 and submitted a memorandum to the government on a lot of issues. The government requested the Institute to make a proposal on the creation of the Office of the Accountant-General of Federal Government as distinct from the Office of the Accountant-General of the Federation. The memorandum was prepared by an ad hoc committee chaired by Chief (Mrs.) E.O. Adegite, FCA, approved by Council and submitted to the President.

10. Visits: Visits were made as follows to:

- a. The Doyen on Wednesday, August 13, 2014 to congratulate and celebrate him on his 95th Birthday Anniversary.
- b. Chief (Dr.) G.S.U. Aghahowa, FCA (MB00003) on his 97th birthday, November 2014.
- c. The Honourable Minister of Education.
- d. Sir (Chief) Olusola Oguntimehin, FCA, OON (PP) on the occasion of his 80TH birthday celebration and installation as Lisa of Ondo kingdom on Friday October 3, 2014.
- e. Nine (9) District Societies and the newly created Jalingo & District Society inaugurated on Monday, January 19, 2015.
- f. Four Governors – Chief Theodore Orji of Abia State, Chief Sullivan Chime of Enugu State, Ogbeni Rauf Aregbesola of Osun State and Chief Ibikunle Amosun, FCA of Ogun State.
- g. Firms of Chartered Accountants (on how to move the Institute forward): Akintola Williams Deloitte; PricewaterhouseCoopers; KPMG Professional Services; Ernst and Young; BBC Professional Services; Grant Thornton; Olusola Adekanola & Co; Sulaimon & Co; PKF; Giwa Osagie & Co; UHY MAAJI & Co.
- h. Financial Reporting Council of Nigeria (FRCN).
- i. The Auditor-General for The Federation.
- j. The Accountant-General of The Federation.
- k. The CBN Governor.
- l. Securities and Exchange Commission.
- m. President/Chief Executive Officer, Dangote Group, Alhaji Aliko Dangote, GCON on Thursday, August 14, 2014.
- n. The Chief of Army Staff, Lt. General T.J. Minimah.
- o. The Chief of Defense Staff, Air Chief Marshal Alex Badeh.

11. Zonal Conferences: The 9th Eastern Zonal Conference was held in Awka, Anambra State from July 30 – August 2, 2014. The theme of the conference was *“Micro Financing and Economic Empowerment: Nigeria in Focus.”* The first ICAN-USA District Society’s Conference was held in Toronto, Canada between August 25 and 30, 2014. It was attended by 140 fee-paying members. The Western Zonal Conference was held in Oyo from March 2 to 5, 2015. The UK District also held its 2nd International Accountants Conference in London from March 13–14, 2015.

12. SWAN Presidential Luncheon: The Society of Women Accountants of Nigeria (SWAN) organised a special luncheon in honour of the President at the Marcopolo Restaurant, Victoria Island in October 2014.

13. 50th ICAN Anniversary: The special book to mark

this historic celebration has reached an advanced stage. The book will be launched as part of the Golden Jubilee celebration. Other activities include a Press Conference, Quiz Competition for students, Anniversary Lecture, Health Walk, Novelty Football Match, Religious activity, and eventually a Jubilee Ball during the Annual Accountants’ Conference in September.

14. Institute’s Revenue: The Council has taken some decisions to boost the revenue of the Institute including: Delisting of defaulting members; Reduction in foreign trips; and the implementation of our Investment policy.

15. Membership Growth and Development:

a. Membership Growth: At the 54th Induction Ceremony held on November 4, 2014 at ICAN Student Centre, Amuwo, Lagos, a total of 599 candidates were inducted. An offshore induction took place in the United Kingdom in March 2015, which brings membership figure to 39,109. Also at the induction ceremony of ATS in June and December, 2014, a cumulative total of 981 newly qualified young men and women were admitted. This brings to 18,808 the total number of AAT so far produced by the Institute.

b. Practice Monitoring Initiative: The Public Practice Monitoring Committee commenced a highly subsidised nation-wide training programme for members in practice. The theme of the inaugural edition which was held in Lagos on October 23, 2014 was, *“Auditing Standards, Audit Quality and Practice Development.”* Through this initiative, the Council wants to deliberately address some of the obstacles in practice management, improve the quality of financial reporting and the degree of uniformity of auditing practice and related services in the country. Ultimately, Nigeria’s investment market will be the better for it.

c. IFAC SMOs: Part of the responsibilities of member-bodies of IFAC is to annually review its work plans aimed at complying with the body’s seven Statements of Membership Obligations (SMOs). In appreciation of its technical competence and steadfastness in submitting its annual reports, ICAN was classified by IFAC as one of the few professional bodies in the world that should supply its Compliance information once in two years. This reporting activity is due in April 2015 and the relevant Council Committee, the Professional Practice Monitoring Committee, has just concluded the review process. Its final report will be considered by Council before submission to IFAC.

d. Creation of Financial Reporting Faculty: The Council recently established the Financial Reporting Faculty, bringing to seven, the number of Faculties so far created by the Institute. The Faculty’s Board is chaired by Mr. Oduware Uwadiae, Partner, Akintola Williams Deloitte.

e. World Bank Project: The 3-component Grant of US\$499,300 by the World Bank to enable the Institute strengthen its technical capacity was successfully

implemented under a Twinning Programme signed with the Institute of Chartered Accountants, England and Wales. The Project has been concluded and audited to the satisfaction of the World bank.

- f. Launching of Members' Credit Card:** I indicated during my investiture that members' welfare would be given the deserved attention during the year. Accordingly, credit card facilities designed and supported by Stanbic IBTC Bank were provided to members at no cost to the Institute and the only condition precedent is being a financial member of the Institute.

g. Burial of Mr. C.O.S. Oseni, FCA

On a sad note, we lost a Fellow of the Institute and a Past President Mr. Cornelius Oladipupo Sunday Oseni, FCA who passed on at the age of 86. His burial took place on March 20th, 2015 in London and The Institute was represented by me, the Registrar/CE and the Chairman, Body of Past Presidents, Balogun J.O.O. Omidiora, BSc, FCA, OON.

16. Students Development:

- a. Visit to National Universities Commission (NUC)** to apprise the NUC of current developments in our certification processes.
- b. Students Sensitisation on the New Professional Examinations Syllabus:** In order to create awareness among stakeholders especially the students about the newly approved syllabus, a one-day awareness seminar was put together by the Students' Affairs Directorate. This awareness programme was held in Lagos, Ibadan, Port Harcourt, Kano and Abuja.
- c. Printing of New Study Packs:** The new learning materials mostly developed by Emile Woolf International for the 16 subjects of the new syllabus are now available to our students both in hard and soft copy versions.
- d. Partnership with CIPFA:** The Institute signed a 3-year memorandum of understanding with the Chartered Institute of Public Finance and Accountancy (CIPFA), UK in July 2011 which expired in June 2014. Under the MoU, the Institute partnered with the body and the Office of the Accountant-General of the Federation to resuscitate and run the Treasury Academy, Abuja. Both professional bodies have been conducting joint examinations in the school which would lead to the award of a Diploma in Public Financial Management to its students who are mainly employees in the Public Sector. Although the Academy is yet to produce its first graduands, we have commenced a review of the expired MoU in order to broaden its scope for strengthening the Institute's technical capacity in the Public Sector. A new and enlarged MoU was signed in March 2015 which updates the old one and mandates both institutes to collaborate on the promotion of high quality public financial management in Nigeria in various ways, including development of relevant thought leadership

and joint advocacy on the importance of high quality public financial management and development of relevant training programmes, products and/or services designed to help build services to ICAN members and those working with the public sector. The new agreement also provides for the creation of professional development routes into CIPFA membership for ICAN members to be awarded Chartered Public Finance Accountant (CPFA) qualification and membership based on experience and training.

- e. ICAN vs CITN MOU:** The Association of Professional Bodies of Nigeria (APBN) brokered mediation meeting was held on Thursday, 22nd January, 2015. Past President, Princess Agnes A. Adeniran was at the meeting during which progress was made. The Terms of Settlement was signed in March 2015 thus putting to rest the 10 year disagreement over the regulation of accountancy. Highlights of the settlement has been hoisted on ICAN website.
- f. Signing of MoU with NNDC:** Following the expiration of the 3-year memorandum of understanding between the Institute and the New Nigeria Development Company under which the Student Special Projects for the Northern states are being managed, a new MoU was signed by me on behalf of the Institute while the Group Managing Director of NNDC signed for his organisation. The event took place in Kaduna in December 2014.
- g. Tuition Houses Support Fund:** The Institute has set up a ₦50million Tuition House Support Fund to assist Tuition Houses to equip their libraries, refurbish their structures and also train their teachers on new training techniques.
- h. Mutual Cooperation Agreement with Tertiary Institutions (MCATI):** The Council has reviewed the agreement with Babcock University and other universities and came up the Mutual Cooperation Agreement with Tertiary Institutions (MCATI). The initiative will help provide a stream of students into the professional stream of the Institute's examinations. Since the approval by the Council, I have visited eight tertiary institutions to market the Scheme. I am delighted to report that some tertiary institutions have signed on whilst the Council has created a Standing Committee to handle the Scheme.
- i. Completion of Bayelsa Student Study Centre:** The Yenagoa and District Society which was the first to commence the Student Special Project during the tenure of Dr. Goodluck Ebele Jonathan, GCFR, the then Executive Governor of Bayelsa State, was given a grant by the Institute to complete its Secretariat. It will be commissioned before the end of the year.
- 17. ICAN Property:**
- (a) ICAN Centre, Aba:** Shortly before my investiture, I pledged to provide a counter-fund of N25million to build an ICAN Centre for the Aba and District Society in Aba City while the Institute will contribute same sum. The project is

nearing completion and hopefully will be delivered along with some of the lecture theatres before the end of this presidential year.

- (b) **ICAN Centre, Amuwo Odofin:** Following the report of poor financial performance of the property manager engaged to manage this property, the Council terminated the contract, pending the engagement of another company, the Secretariat is currently managing the place with impressive results.

- (c) **ICAN Library, Abuja:** In response to the dire need of students and other stakeholders, the Council approved the establishment of a library at the Akintola Williams House, Abuja. Accordingly, we had to request one of the tenants on the ground floor to quit and make room for the initiative. Very soon the contract for this would be awarded to the successful company from the series of bids currently being considered by the Major Tenders Board.

18. International Activities:

- (a) **UK Annual Dinner and Awards:** I was the special guest at the ICAN UK District Society 2014 Annual Dinner and Award ceremony held in London from December 12–13, 2014.

- (b) **ISAR-UNCTAD 31st Session in Geneva:** I led a 3-man delegation of Council to attend the ISAR-UNCTAD 31st session in Geneva, Netherland from October 13-17, 2014.

- (c) **PAFA Board Meeting:** I attended a PAFA Board meeting with the Vice President of the Institute, Otunba Femi Deru and Mr. Olusoji O. Odukoya, Deputy Registrar, Corporate Services at Arusha, in Tanzania from December 2–4, 2014.

- (d) **Inauguration of the ICAN-Canada District Society:** The inauguration of Canada and District Society held as scheduled in February, 2015 in Toronto, Canada. With this, the total number of Districts has risen to 52.

19. Staff Gratuity: Effectively, the gratuity scheme for Management and Staff of the Institute has been brought to an end and, in line with the 2014 Pension Act, the Council reduced its contributions to staff pension from 15% to the statutory 10%.

20. Staff Mortgage Scheme: In order to assist the junior and middle level staff, we have introduced a staff gratuity scheme by making arrangement with a financial Institution and setting aside N50million seed money from where qualified staff will draw as mortgage loan.

CONCLUSION

This presidential year has been an eventful one and it is my expectation that when I finally sign off, most of the projects we had envisaged to deliver from the beginning would have been concluded. As we continue to celebrate our golden jubilee, I foresee a better, greater, more relevant and more respected ICAN in the years ahead. ●

INSTRUCTIONS TO AUTHORS

Authors wishing to have their articles published in *The Nigerian Accountant* and *ICAN Students' Journal* are advised to adopt the following guidelines:

1. Articles must be well researched on contemporary issues in the field of: **Accounting; Audit; Investigations; Forensic Accounting; Taxation and Fiscal Policy Management; Consultancy; Information Communication Technology; Insolvency and Corporate Re-engineering; Public Finance; Corporate Finance; Banking; Insurance; Manufacturing; Capital Market.**

Articles from other disciplines e.g. **Health/Medicine; Agriculture; Engineering; Education; Religion; Fashion; Construction; Oil and Gas;** etc, are welcome.

Opinion articles would also be accommodated.

2. All articles should be typed on standard A4 paper and must not exceed twenty pages in 12-point Time Roman font and double spacing.

3. The title page should include the title and author's contact information (no other page should include author's information).

4. The second page should include the title and an abstract of not more than 150 words.

5. The research paper must be properly referenced. The American Psychological Association style should be used in the following format:

- a) In-text referencing: Author's name and year of work e.g. **Lucey (1997)** or **(Lucey, 1997)** at the end of sentence. Page numbers must be included for direct quotations e.g. **(Lucey, 1997, p.8).**

- b) List of references: Arranged in alphabetical order in the author-date format, e.g.

Book Reference

Lucey, T. (1997), *Management Information Systems* (8th ed.), London: Letts Educational.

Journal Article Reference

Wainer, H. (1997), *Improving Tabular Displays: With NAEP Tables as Examples and Inspirations*, *Journal of Educational and Behavioural Statistics*, 22, 1-30.

Internet Reference

Baker, F.M. & May, A.J. (2007), *Survey Research in Accounting*. Unpublished manuscript retrieved January, 2008 from <http://www.maybaker.org/journals/webref.html>.

6. Every page must be numbered.

7. Two **Hard copies** of the paper should be delivered to the **Editor, Corporate Communications & Marketing Directorate**, The Institute of Chartered Accountants of Nigeria, Plot 16, Idowu Taylor Street, Victoria Island, P.O. Box 1580, Lagos, while the **Soft copy** saved in **Microsoft Word 2007** should be forwarded to **corporateaffairs@ican.org.ng**, **dmuyiwa@ican.org.ng** and **aooowolabi@ican.org.ng**

The Establishment of Audit Committees In the Public Sector – A Necessity for Financial Oversight

By **CHARLES AKHARAYI**

This paper considers the necessity to have audit committees in the Public Sector with the overall aim of preventing fraudulent practices by public officers. The public sector has been facing governance and accountability challenges such that the establishment of audit committees will ensure strengthening of financial oversight. The resources meant for good governance by public sector entities must be dedicated for mandatory performance for the benefit of its citizenry. Some recommendations are provided in having Audit committees in the public sector.

Key words: Public Sector Institutions, Audit Committees and Financial Oversight, Internal and External Auditors, Public Funds and Good Governance.

INTRODUCTION

Public Sector is an institution of concern for sustainable growth and development of a Country. The Nigeria public sector is entrenched with corruption, lack of accountability and transparency. Absence of good governance have been endemic and become the order of the day. The fact of the matter is that Nigerians are suffering because of the present disastrous economic and social realities occasioned by massive corruption, soaring unemployment, growing insecurity, a divided nation and bleak economic outlook but it should not have been this way. In fact, discipline and transparency is lacking in the public sector which has directly paved the way for unmitigated corruption and inexplicable official indiscipline which is often expressed as regime impunity. The nation's public funds benefited the corrupt few while millions of fellow citizens suffer under poverty and hunger. The structural planning, control and effective decision making in terms of good governance will foster a basis for achieving set goals. There are managers (government representatives) at helm of affairs still governance has no rightful direction. The major factors responsible for this non-performance include lack of efficiency, lack of accountability, ineffective management practices and corruption. Those opportuned to be at the helm of affairs should make deliberate efforts to improve on the systems to achieve good governance in all the three tiers of government if they must remain relevant in the

global village which the world is turning into.

Public sector entities are established with clearly defined objectives some of which are to provide services at affordable costs, as well as infrastructure considered to be essential for national growth and development. The public funds meant to provide these basic necessities as well as infrastructures by public sector managers are mismanaged, embezzled or outrightly stolen by these managers undermining the various financial and regulatory instruments in place. In short, corruption in the public sector is escalating day by day. Numerous corruption scandals are left uninvestigated, unresolved or completely ignored.

Also, government control and political interference have impaired the efficient administration of the public sector. In Nigeria, corruption has made our public sector less effective than we desire. Every Public Institutions must account for society's investment in its existence or become irrelevant. The public sector institutions require sharpening their focus and being goal oriented. The political leaders and the civil societies are enjoined to brace themselves for a more vigorous attack on public sector corruption. Government at all levels must change their wasteful disposition to governance.

Weak controls promote corruption and corruption is made possible when controls are non-existent or exist without enforcement by people in management. Critically speaking, this may be the basis for the difference in performance that we observe

in the private sector.

ESTABLISHMENT OF AUDIT COMMITTEE IN THE PRIVATE SECTOR

The American Institute of Certified Public Accountants (AICPA) in 1967 made a recommendation that audit committee boards be established so that external auditors can communicate and interact with the audit committee whenever any question having material importance on the company's financial statements has not been satisfactorily resolved with management. Though, prior to 1967, the whole idea of audit committee received very little accolades and the expected functions of this committee were uncertain (Enofe, Aronmwan and Abadua, 2013).

To further encourage the establishment of audit committee boards, the Security and Exchange Commission (SEC) issued in 1972, Accounting Series Release No. 123, "Standing Audit Committee Composed of Outside Directors" to give protection to investors who rely upon the financial statements for decision-making. Furthermore, the Securities and Exchange Commission (SEC) cites that the key to poor quality of financial statements is regulatory oversight. Consequently, they resolved to improve financial reporting effectiveness by introducing the establishment of audit committees. Thus, they issued and forced a rule for public companies (Blue Ribbon Committee, 1999).

The clamour for the formation of audit committees around the world shows the relevance of audit committees as a governance mechanism. According to Lindsell (1992), the audit committee is a mechanism of corporate governance to check the quality, credibility and objectivity of financial reporting; it performs an oversight function in the financial reporting process and communicates to users through a report in the financial statement. This committee has a monitoring responsibility over management and external auditors alike. They are intermediaries or watchdogs.

Ayinde (2002) opines that the audit committee is a standing committee established to enhance corporate accountability by working with the internal auditors and management to improve and strengthen the financial reporting practices of an entity and ensure proper conduct of corporate affairs in accordance with generally accepted ethical and legal standards.

Klein (2002), Krishnan (2001), Carcello and Neal (2000), Dechow, Sloan and Sweeney (1996), McMullen (1996) are example of prior researchers that have shown a relationship between weaknesses in governance and poor financial reporting quality, financial statement fraud, and weaker internal controls.

ROLE OF AUDIT COMMITTEE IN THE PRIVATE SECTOR

The audit committee is a committee of the board of directors responsible for oversight of financial reporting process, selection of the independent auditor and receipt of audit results both internal and external. The committee assists the board of directors fulfill its corporate governance and overseeing responsibilities in relation to an entity's financial reporting, internal control system, risk management system and internal and external audit functions. This procedure is lacking in the public sector, which gives room for massive irregularities and financial recklessness.

An effective audit committee plays a key role in assisting the board to discharge its governance responsibilities. Recent events have highlighted the critical role of boards of directors in promoting

good corporate governance. In particular, boards are being charged with the ultimate responsibility for the effectiveness of their organisations' internal control systems.

Internal auditors of publicly quoted companies are required to report directly to the board of directors or a sub-committee of the board of directors. They do not report to management so as to reduce the risk of exposing them to pressure to produce favourable assessments. While internal auditors in the public sector, up to date, the line of reporting remains the same which permits the internal auditor to report directly to the chief executive officer as service to management. However, in attempting to adequately discharge their responsibilities, internal auditors often find themselves in an antagonistic position. They report to senior management within the organisation whereas they are expected to objectively review management's conduct and effectiveness. This process has been adjudged to be faulty in my own opinion. The independence of the internal auditor is weak and most times biased in drawing his conclusion for fear of losing his job.

The auditing firms have had to suffer more public criticism and professional humiliation whenever the financial statements of a company are called to question. There is a crucial nexus between the professional integrity of auditors and the safeguard of the interest of stakeholders (Ihenyen, 2013). The role that audit committees play cannot be over-emphasised as far as the financial health of publicly quoted companies is concerned. Audit committee is to assist the board and/or its internal audit in discharging its governance responsibilities by delivering:

- a) An objective evaluation of the existing risk and internal control frame work.
- b) Systematic analysis of business processes and associated controls.
- c) Ad hoc reviews of other areas of concern, including unacceptable levels of risk.
- d) Review of the compliance framework and specific compliance issues.
- e) Review of operational and financial performance.
- f) Recommendations for more effective and efficient use of resources.
- g) Assessment of the accomplishment of corporate goals and objectives.
- h) Feedback on adherence to the organisation's values and code of conduct/code of ethics.

Committee members are drawn from members of the company's board of directors and shareholders with a Chairperson selected from among the committee members in the case of public company. The composition, meeting practices and education of audit committees are generally recognised as essential components of their effectiveness. Independence is an important attribute for audit committees to perform an objective assessment of management and the financial statements and related audit reports.

The audit committee Chairperson provides an essential voice in setting the tone for the committee and ensuring its effectiveness. He or She should exhibit strong leadership and governance skills and work well with the other members, management, the internal auditor and the independent auditor.

It is also important that committee members be inquisitive and prepared to challenge the positions of management, the independent auditor, and the internal auditor. They should have a clear

understanding of the financial reporting and their responsibility to exercise oversight of the independent auditor relationship and be ready to ask probing questions of both management and the independent auditor.

Audit committees typically have the authority to initiate special investigations in cases where they determine accounting practices are problematic or suspect, or where problems exist with personnel.

ROLE OF AUDIT COMMITTEES AND CORPORATE GOVERNANCE

The role of the audit committee in corporate governance has evolved in the wake of the corporate governance failures around the world and the audit committee has become increasingly relevant in enhancing confidence in the integrity of an organisation's processes and procedures relating to internal control process, corporate and financial reporting. The audit committee has become one of the main pillars of corporate governance in checking and forestalling corporate misconduct. The effectiveness of the audit committee determines to a large extent the integrity of an organisation's financials.

Corporate governance is a set of processes, customs, policies, laws and institutions affecting the way a company is directed, administered or controlled. Corporate governance also includes the relationships among the many stakeholders involved and the goals for which the corporation is governed. An important theme of corporate governance is the nature and extent of accountability of particular individuals in the organisation and mechanisms that try to reduce or eliminate the 'principal-agent' problem. Good corporate governance emanated from the private sector and the need for sound governance arrangements in the public sector is also critically important.

For an economy to grow and develop its governance, structures in both the private and public sectors must be well run. Effective corporate governance can create safeguards against corruption and mismanagement and promote transparency, and therefore efficiency in economic affairs. ACAG (2010) identifies four basic elements of good governance to include accountability, participation, predictability and transparency. Cadbury Report (1992) also identifies three key principles of corporate governance, which are also applicable to public sector. They include openness, integrity and accountability. It is at the heart of building confidence in financial systems that sustainable economy grows.

Corporate governance developments both locally and internationally have reaffirmed the board's responsibility for ensuring the effectiveness of their organisation's internal control framework. These developments have highlighted the key role that audit committee can play in supporting the board in ensuring adequate oversight of internal controls and therefore form an integral part of an organisation's corporate governance framework.

Audit committee activity as it relates to corporate governance is advisory, accomplished primarily through participation in meetings and discussions with members of the board of directors highlighting deviations from the rules, norms or acceptable practice through periodic reports.

THE NEED OF AUDIT COMMITTEES IN THE PUBLIC SECTOR

The principle of transparency which goes with openness requires

government to provide the citizen with a right to know what is going on in governance. Transparency and openness force government to be more careful so as to stand public scrutiny. Accountability on the other hand, places a responsibility on government to acquire the necessary ability to perform the obligation to provide information, explanations and/or justifications and the necessity to absorb the consequences of unaccountable actions including disciplinary measures. There must be accountable government complimented by the prudent management of public funds.

Recent corporate scandals and legislation like the Sarbanes-Oxley Act have spurred the public to focus on the importance of governance (Nashwa George, 2005). Also, events in the public sector and failures in the quality of government audits led the United States Government Accountability Office (GAO) to recommend that public sector entities consider the benefits of using audit committees.

Governance is not limited to business entities in private sector. It is important to public sector as well. Public sector institutions include state and local governments, federal agencies, parastatals, public utilities, hospitals, colleges and universities, legislatures, etc. Governance in the public sector deserves the same attention as governance in the private sector. While unethical behaviour in the private sector impacts the shareholders of a company, unethical behaviour in the public sector impacts all taxpayers and citizens.

Proper governance arrangements are essential for good public sector governance and national development (Kaufman, Kraay and Zoido-Lobaton, 1999). Public sector institutions should clearly define their values, evolve policies that support those values (e.g. supporting whistle blowers), ensure appropriate tone at the top, monitor and consistently take corrective actions. Though, a whistle-blower's protection Act is desired to tackle corruption. The National Assembly should hasten the passage of the Whistle-blower Protection Bill. The Whistle-blower Protection Bill is one of the wars against corruption. Public sector managers should shun corruption and embrace good governance.

The importance of audit committee cannot be overemphasised in the process of attaining a sanitised system free of corruption, inefficiency and ineffectiveness in the public sector. Auditing is meant to uphold integrity and accountability for the responsibilities one assumes and when these are not available in an organisation then the organisation fizzles into oblivion. Auditing profession cannot be compromised such that a sanitised system free of corruption, inefficiency and ineffectiveness can be attained. Audit Committee can play a more active role in public sector institutions through governance advocacy as a way of stamping out waste, corruption and many more.

Given the havoc corruption has wreaked on the Nigerian economy in the form of unbridled larceny and criminal diversion of scarce public funds into private use (Owolabi, 2013), I consider it expedient to contribute towards the debate on the way forward for the establishment of audit committees in the public sector.

Where controls are strong and fully effectual the rate of fraud and stealing will be very low if not brought to a zero level. Effective monitoring of compliance to established guidelines and enforcement of sanctions for any established breach will bring sanity to the public sector. According to Owolabi (2013) "the tone at the top is the most important factor in control effectiveness."

As the financial sector continually expands with the growth of the economy in Nigeria today and Foreign Direct Investments (FDI)

gradually results in the need for improved corporate governance in our companies and compliance with the principles of financial responsibility, accountability and transparency in our public sector; the audit committee, perhaps more than ever before, has a major role to play in helping to protect the financial recklessness in the public sector.

It is for this reason that I am deep-rooted concern of the public and governments about the roles of audit committees as a watch dog in government businesses. The law as an instrument of social engineering shall continue to seek stronger statutory framework towards providing effective and efficient regulations if audit committee is introduced in the public sector. Mackenzie in the foreword to *The Accountability and Audit of Governments* made the following remark: "Without audit, no control, and if there is no control, where is the seat of power?"

The need for financial accountability has existed ever since it became necessary for one individual to entrust the care of his possessions or business to another (Wilson Committee, 1980). The public sector represents a principal-agent relationship. The agent must periodically account to the principal (the public) for their use and stewardship of resources and the extent to which the public's objectives have been accomplished. An effective audit activity reduces the risks inherent in a principal-agent relationship as well complimented by audit committee. The principal relies on the auditor to provide an independent, objective evaluation of the accuracy of the agent's accounting and to report on whether the agent uses the resources in accordance with the principal's wishes.

In some cases, public institutions financial statements are not subjected to audit in accordance with the provisions of the law as when due. Audit committees will address these gaps.

The need for audit committee to attest to the credibility of the financial reporting, performance results, compliance and other measures arises from several factors inherent in the relationship between the principal and its agent, some of which includes:

- i. **Conflicts of Interest:** Agents may use their resources and authority to benefit their own interests rather than the principal's interest.
- ii. **Remoteness:** Operations may be physically removed from the principal's direct oversight.
- iii. **Complexity:** The principal may not possess the technical expertise needed to oversee the activity.
- iv. **Consequence of Errors:** Errors may be costly when agents are stewards of large amounts of resources and are responsible for programs affecting citizens' lives and health.

Despite the periodic checks conducted by Office of the Auditor General for the Federation on records, books, returns and other documents of ministries and extra-ministerial offices, it is not enough not to have audit committees in government public institutions. Public sector auditing should retain the defining characteristics that are the basis of its credibility – the value it provides to the governance process independence from the parties being audited and an objective attitude toward the subject under audit.

Audit committees are an increasingly important component of effective accountability and governance. An audit committee must have three important qualities in order to fulfill its duties: independence, communication and accountability.

Independence: In the public sector, the structure of entities does not separate the governing authority and oversight responsibility

from the day-to-day management. For example, a public university Vice Councilor or a polytechnic Rector is both the chief executive officer and a board member. Public sector audit committees should be independent both in fact and in appearance, and have processes in place to ensure such independence.

Communication: Communication between a governing body and its finance officers can be difficult at times. For example, external financial reporting follows standard principles; however, budgets and expressions of policy are unique to the circumstances of the organisation and its jurisdiction. Communication is complicated when a governing body approves a budget but not the financial statements. The GAO has indicated that audit committees can provide assistance if they have the necessary technical skills in accounting and auditing and are able to communicate with finance officers and auditors on complex issues.

Accountability: An audit committee must be independent to contribute to the integrity of the financial reporting process. An independent audit committee can help reinforce a culture with zero tolerance for fraud. The combination of independent oversight and the technical expertise of audit committee members enhance accountability.

Finally, the audit committee must know about government environment – particularly accountability structures – as well as any relevant legislation or other rules governing the public sector institutions.

ROLE IN OVERSIGHT OF THE EXTERNAL AUDITOR

Audit committees typically approve selection of the external auditor in publicly quoted companies. This is not the case in the public sector. Under Section 85(3) of the 1999 Constitution, the Auditor General for the Federation is not expected to audit the accounts of or appoint external auditors for government statutory corporations, commissions, authorities, agencies and other bodies established by an act of the National Assembly. The Auditor General can only provide a list of qualified statutory or external auditors who have registered with his office from which the Chief Accounting Officer or Chief Executive Officer is expected to appoint (supposedly arranged) audit firm.

The external auditor reviews the entity's financial statements and issues an opinion on the accuracy of the entity's annual financial statements. Audit committees also help ensure that the external auditor is independent, meaning no conflicts of interest exist that might interfere with the auditor's ability to issue its opinion on the financial statements.

Changing an external auditor typically should require audit committee approval and not the present arrangements between the Chief Accounting Officer and Office of the Auditor General of the Federation. In a public-interest entity, the appointment of a statutory auditor or audit firm should be based on a recommendation made by the audit committee.

ROLE IN OVERSIGHT OF FINANCIAL REPORTING AND ACCOUNTING

Audit committee typically review financial statements quarterly and annually in public companies. In addition, members will often discuss complex accounting estimates and judgements made by management and the implementation of new accounting principles or regulations. Public sector institutions do not have

these arrangements. Section 85(3b) of the 1999 Constitution expect the Auditor General for the Federation to undertake the examination of the accounts of any organisation that receives funds from the government, such as statutory corporations, parastatals and agencies. In addition, Section 85(4) of the Constitution gives the Auditor General of the Federation the power to conduct periodic checks on the government agencies he can neither audit nor appoint their auditors. These arrangements seem to be faulty. The non-access by the Auditor General of the Federation to the financial statements of parastatals and statutory corporations after preparation by management is not tidy enough for preventing fraud and irregularities. The audit committee will serve this purpose of identifying waste, preventing financial misappropriation and outright embezzlement of public funds.

External auditors are also required to report to the committee on a variety of matters such as their views on management's selection of accounting principles, accounting adjustments arising from their audits, any disagreement or difficulties encountered in working with management and any identified fraud or illegal acts.

RECOMMENDATIONS

The non-performance of public sector institutions has been a major concern over the years and conscious efforts must be taken to move it out of their quagmire. Each government entity must be mandated to designate an audit committee to fulfill the role of financial oversight. A well-performing audit committee will benefit the public sector in many ways, including:

- i. Facilitating well-informed, efficient and effective decision-making.
- ii. Promoting and monitoring an ethical culture.
- iii. Ensuring compliance with a well-designed code of conduct.
- iv. Overseeing an effective system of risk oversight and management.
- v. Overseeing an effective and efficient internal control system.
- vi. Overseeing internal and external reporting of financial and nonfinancial information.
- vii. Promoting effective communication with audit activity and external assurance providers and responding appropriately to matters as they arise.
- viii. The government should provide a model audit committee charter that can be readily used by public sector organisations looking to create an audit committee and prescribes the appropriate knowledge and expertise for audit committee chair and members.
- ix. The Independent statutory auditor (external auditor) should be appointed by the audit committee (if established) instead of the Chief Executive Officer as currently in place.
- x. At least five audit committee members who must be financially literate and made up of independent outside directors, including a minimum of one person who qualifies as a financial expert should be appointed. An odd number of members may help prevent a tie vote on issues.
- xi. To periodically assess the optimal mix of members, taking into account regulations and requirements, the competencies, diversity, time commitments, tenure and rotation of their members.

CONCLUSION

There is no doubt that audit committees have very important roles and responsibilities to play in ensuring the safeguard and judicious

spending of public funds in the public sector. The committee will serve as watchdog by ensuring total compliance with the provisions of the law in carrying out government businesses most importantly on procurement of goods, services and construction works. By the establishment of audit committee, corruption, waste and outright embezzlements can be significantly reduced if not completely avoided in the public sector.

Corruption, lack of accountability and transparency, absence of good governance and straight-forwardness become order of the day and has done a lot of damages to the public sector. There is optimism for a better public sector if new positive trends are introduced one of which is Audit Committees.

The establishment of audit committee will strengthens public governance by providing for accountability and protecting the core values of the public sector, which it does by assessing whether managers and officials conducts public's business transparently, fairly, honesty and in accordance with laws and regulations.

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PENSION REFORMS: Issues and Challenges

By RAUTA BITRUS JAT and YOHANNA GYANG JUGU

1.0 INTRODUCTION

Nigeria is the most populous nation in Africa with over 160 million people. Of the population, only about three percent (3%) are above sixty-five years and this percentage is expected to rise to 4.3% by 2030 according to the United Nations, thereby achieving the social security and pension obligations of the government. Past schemes were largely unfunded. The pension obligations were unsustainable and majority of Nigerians were not covered by any term of pension scheme.

In a survey carried out between 1990 and 1991, it was observed that only 1.3 percent of Nigerian workers were covered under any pension scheme as compared with Mauritius which had about 60 percent, or even Cameroon, which had about 17 percent during the same period.

2.0 HISTORICAL BACKGROUND OF PENSIONS IN NIGERIA

Prior to now, the Nigeria Social Insurance Trust Fund (NSITF) had been charged with the responsibility of handling the pay-as-you-go defined benefit system. This system was on the verge of collapse for a very long time due to weak administration, restrictive investment and corruption. Further, the system was also characterised with poor compliance by employers, difficulties with the administration of the scheme, meager contribution, grossly inadequate benefit payments; hence the NSTIF recorded little successes.

With the privatisation of government enterprises, government was faced with an estimated N2 trillion public sector pension deficit. In 2004, there was a revolution in the Nigeria Pension System with the enactment of the Pension Reform Act (PRA) 2004. While the PRA, 2004 allowed the NSITF to continue with the provision of special security services. It places the NSITF under the supervision of the National Pension Commission (NPC).

The implementation of the PRA, 2004 came with certain issues and challenges. For instance, the States and Local governments

were not captured. The implementation of the transitional provisions was very difficult, provisions were not very clear in the Act as to how to treat employees of the Federal Capital Territory (FCT) Abuja. Also, provision was not made for employees of organisations with less than three employees as well as self-employed persons. Here lies the necessity for the amendment of the Act and the promulgation of Pension Reform Act, 2014.

3.0 THE PENSION REFORM ACT, 2014

3.1 Objective

The objectives of the Act are to –

- Establish a uniform set of rules, regulations and standards for the administration and payments of retirement benefits for the public service of the federation, the public service of the Federal Capital Territory, the public service of the state governments, the public service of the local government councils and the private sector.*
- Make provision for the smooth operations of the contributory pension scheme.*
- Ensure that every person who worked in either the public service of the federation, Federal Capital Territory, states and local governments or the private sector, receives his retirement benefits as and when due.*
- Assist improvident individuals by ensuring that they save in order to cater for their livelihood during old age.*
- In the case of the private sector, the scheme shall apply to employees who are in the employment of an organisation in which there are 15 or more employees.*
- Notwithstanding (e) above, employees of organisations with less than three employees as well as self-employed persons shall be entitled to participate under the scheme in accordance with guidelines issued by the National Pension Commission.*
- Stem the growth of outstanding pension liabilities.*

3.2 How Does The Scheme Work?

Section 4(1) of the Act states that the contribution for any

employee to which this Act applies shall be made in the following:

- 1) Rates relating to his monthly emoluments:
 - a) A minimum of ten percent by the employer; and
 - b) A minimum of eight percent by the employee.
- 2) The rates of contribution mentioned in subsection (1) of this section may, upon agreement between any employer and employee, be revised upwards, from time to time and the commission shall be notified of such pension.
- 3) Any employee to whom this Act applies may, in addition to the total contributions being made by him and his employer, make voluntary contributions to his retirement savings account.
- 4) Notwithstanding any of the provisions of this Act, an employer may agree –
 - (a) On the payment of additional benefits to the employee upon retirement; or
 - (b) Elect to bear the full responsibility of the scheme provided that in such a case, the employer's contribution shall not be less than 20 percent of the monthly emoluments of the employee.
- 5) In addition to the rates specified in subsection (1), every employer shall maintain a group life insurance policy in favour of each employee for a minimum of three times the annual total emolument of the employee and premium shall be paid not later than the date of commencement of the cover.
- 6) Where the employer failed, refused or omitted to make payment, as and when due, the employer shall make arrangement to effect the payment of claims arising from the death of any staff in its employment during such period.
- 7) The categories of persons covered under section 2(3) of the Act or persons exempted under section 5 of the Act shall be entitled to make voluntary contributions under the scheme.

3.3 Benefits of the Pension Reform Act

The benefits of the contributory pension scheme are outlined below:

- More workers to enjoy pension;
- Burden is shared as employer and employees both contribute to the pension fund;
- Employees develop financial discipline as the Act restricts employee's right to make drawings from the fund;
- Pension fund managers are made more shrewd as the Act restricts the utilisation of retirement benefits on unprofitable and high risk investment;
- Right to convert existing schemes into contributory pension scheme;
- Employer may be licensed as Closed Pension Fund Administrator;
- Pension funds to be professionally managed by private sector;
- Pension funds to be invested to yield returns;
- Pension funds and pension assets are fully protected;
- Potential criminal liability for defaulters;
- Increased, transparency and improved efficiency in the pension funds administration.

3.4 Pre and Post Reform Comparison

Pre-Reform

- Defined benefits

Post-Reform

- Defined contribution

- | | |
|--|---|
| • Unfunded scheme | Fully funded |
| • Limited investible Long-term funds | Large flow of long-term investible funds |
| • Corporate choice | Compulsory |
| • Less developed capital Markets and players | Major impetus for development of capital market |
| • " | Tax free contributions |
| • " | New players |

4.0 NIGERIAN PENSION COMMISSION (NPC)

The Nigerian Pension Commission (NPC) is the regulator of the Nigerian Pension Systems. This position is enshrined in the 2004 Act, as amended in 2014. Section 23 of the Act provides the functions of the Commission as follows:

It states that *the commission shall –*

- (a) Regulate and supervise the scheme established under this Act and other pension schemes in Nigeria;
- (b) Issue guidelines, rules and regulations for the investment and administration of pension funds;
- (c) Approve, license, regulate and supervise pension fund administrators, custodians and other institutions relating to pension matters as the commission may, from time to time determine;
- (d) Establish standards, benchmarks, guidelines, procedures, rules and regulations for the management of the pension funds under this Act;
- (e) Ensure the maintenance of a national data bank on pension matters;
- (f) Carry out public awareness, enlightenment and education on the establishment, operations and management of the scheme;
- (g) Promote capacity building and institutional strengthening of pension fund administrators and pension fund custodians;
- (h) Receive, investigate and mitigate complains of impropriety made against any pension for administrator, custodian, employer, staff or agent;
- (i) Promote and offer technical assistance in the application of the contributory pension scheme by the states and local government councils in accordance with the objectives of the Act; and
- (j) Perform such other duties which, in the opinion of the commission, are necessary or expedient for the discharge of its functions under this Act.

5.0 CHALLENGES

The 2014 Pension Reform Act is one beautiful thing that has happened to the country especially the gaps that exist in the 2004 PRA have now been closed. However, there are challenges that must be overcome if the benefits of the 4th scheme are to be maximised.

Some of the identified challenges are:

5.1 Monitoring and Compliance

It is very important that government must set strategies to monitor and to ensure compliance by all participants on the

scheme. (Government at all levels, private sector, self-employed persons, pension fund administrators, pension fund custodians, employees, etc).

5.2 Manpower

Government must make available the needed manpower that will administer the Act at all levels. The human resource must also obtain the needed training to ensure proper and comprehensive application of the statute. Currently, well trained manpower is limited.

5.3 Technology

The world is now a global village and so the needed technology must be acquired and put in place. Manpower to man the equipment must also be secured with the needed back-ups. Adequate provision should also be made for maintenance and replacement of obsolete technology, where the need arises. The level of technology in the current is inadequate.

5.4 Process

Due process must be adopted in the implementation of the Act with the right documentation. The main difficulties faced with the implementation of the 2004 Pension Reform Act were record keeping and lack of clarity in documentation.

5.5 Duplication

There are a lot of duplications in the Act which make some provisions of the Act to be vague and perhaps difficult to implement.

5.6 Other Challenges

- There is also the challenge of getting government to fund the pension deficit of over N2 trillion.
- Evaluating the existing pension funds is an issue to be addressed. There is need for actual valuation to ascertain the exact funds that have accumulated.
- There is the challenge of fine-tuning the Act to suit the Nigerian environment.

6.0 CONCLUSION

Pension Funds is the next big thing that is happening in the Nigerian market. However, there will be:

- Need for fixed income product development on take-off. The issue will be where to invest and not the money to invest.
- There is need for stakeholders to identify and engage a technology vendor.
- There is need for pension funds training.
- There is need for government to come up with a plan to fund the pension's shortfalls.

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Islamic Financing and Its Products

By **OYE AKINSULIRE**

INTRODUCTION

The advent of Islamic banking in Nigeria in 2011 brought about some controversies in terms of what it entails, its modalities, the non interest charging concept, beneficiaries, etc. Islamic finance can be described as a financial business that is not contradictory to the principles of *Shari'ah*. Despite its name, Islamic finance is not a religious product *per se*. It is however targeted to meet the needs of a specific group of people.

Interest, uncertainty and risk are the major elements that are associated with conventional finance but which are prohibited under the *Shari'ah* law. They are known in *Arabic* as *riba* (Interest/Usury), *gharar/maysir* (Risk/Uncertainty). *Maysir* occurs in contracts where the ownership of a good depends on the occurrence of a predetermined, uncertain event in the future whereas *gharar* describes speculative transactions.

RELATIONSHIP BETWEEN ISLAMIC FINANCING AND ISLAMIC BANKING

Islamic banking is a sub-set of Islamic finance (better referred to as '*Shari'ah compliant finance*'). It does not operate like conventional banking and must be viewed from a different perspective. The reason being that the most important underlying principle of conventional banking is that money when invested judiciously has multiplier effect in that it has a premium, known as interest or usury.

Non-interest banking is a profit growing global concept that is practiced in more than 65 countries around the world including, United States of America, United Kingdom, Canada, United Arab Emirate, Malaysia, China, Singapore, South Africa, Kenya, etc. Global Banks like HSBC, Barclays Bank, Citibank, etc are also offering it. It is an alternative financial service which is open to all irrespective of race or religion.

It is based on ethical principle of fairness, transparency and objectivity. Non-interest banking offers almost all the services offered by conventional banks except that they do not give or

receive interest, nor finance anything that is considered harmful to society like *alcohol, tobacco, gambling*, etc in line with *Shari'ah ethics*. It also seeks to avoid *gharar* — speculation, uncertainty, deception and more.

The practice of earning interest is the antithesis of Islamic finance because Islamic law, from the beginning, has categorically denounced it.

Shari'ah prohibits investment in businesses that provide goods or services considered contrary to Islamic principles (e.g. gambling, pork or alcohol) which are considered *haram* ("sinful and prohibited").

Central to Islamic banking and finance is an understanding of the importance of risk sharing as part of raising capital and the avoidance of *riba* (interest or usury) and *gharar* (risk or uncertainty).

MICROFINANCE

Microfinance is an important concern for Muslim states and recently Islamic banks as well. Microfinance is ideologically compatible with Islamic finance, because it is believed to be in accordance with the *Shari'ah*, and possesses a sizeable potential market.

ISLAMIC BANKING IN MALAYSIA

In 1983 the first Islamic bank was established in Malaysia while commercial banks, merchant banks and finance companies began to offer Islamic banking products and services under the *Islamic Banking Scheme* (IBS banks) in 1993. The IBS banks have to separate the funds and activities of the Islamic banking transactions from the funds of their conventional banking activities.

ISLAMIC BANKING IN NIGERIA — JAIZ BANK PLC

Jaiz Bank Plc was created out of the former *Jaiz International Plc* which was set up in 2003 as a special purpose vehicle (SPV) to establish Nigeria's first non-interest bank. It is an unquoted public

company owned by over 3,000 shareholders of different religious background spread over the six geographical zones of Nigeria.

Jaiz Bank Plc obtained a regional license to operate as a full-fledged non-interest bank from the *Central Bank of Nigeria* on November 11, 2011 and begun full operations in Nigeria on January 6, 2012 with three branches in Abuja FCT, Kaduna and Kano. The regional license allows the bank to operate geographically in a third of the country. Also, based on the recommendations from *Islamic Development Bank (IDB)*, which is also a shareholder of the bank, *Jaiz Bank Plc* has partnered with *Islamic Bank Bangladesh (IBBL)* for Technical and Management Assistance.

CONCEPTS UNDER ISLAMIC FINANCE

MURABAHAH

This refers to the sale of goods at a price which includes a margin for profit agreed to by both parties. The purchase and selling price, other costs, and the profit margin must be clearly stated at the time of the sale agreement. The bank is rewarded for the time value of its money in the form of the profit margin.

It is a fixed-income loan usually for the purchase of a real asset (such as real estate or a vehicle), with a fixed rate of profit determined by the profit margin. The bank is not compensated for the time value of money outside of the contracted term (i.e. the bank cannot charge additional profit on late payments); however, the asset remains as a mortgage with the bank until the default is settled.

BAI' MUAJJAL (Credit Sale)

Bai' muajjal literally means a credit sale. Technically, it is a financing technique adopted by Islamic banks that takes the form of *murabahah muajjal*. It is a contract in which the bank earns a profit margin on the purchase price and allows the buyer to pay the price of the commodity at a future date in a lump sum or in installments. It has to expressly mention cost of the commodity and the margin of profit is mutually agreed. The price fixed for the commodity in such a transaction can be the same as the spot price or higher or lower than the spot price. *Bai' muajjal* is also called a *deferred-payment sale*. However, one of the essential descriptions of *riba* is an unjustified delay in payment or either increasing or decreasing the price if the payment is immediate or delayed.

MUSAWAMAH

In a *Musawamah* contract the selling price is negotiated between the two parties without reference by the seller to either costs or asking price. While the seller may or may not have full knowledge of the cost of the item being negotiated, they are under no obligation to reveal these costs as part of the negotiation process. This difference in obligation by the seller is the key distinction between *Murabahah* and *Musawamah* with all other rules as described in *Murabahah* remaining the same. *Musawamah* is the most common type of trading negotiation seen in Islamic commerce.

MUDARABAH (Partnership)

"*Mudarabah*" is a special kind of partnership where one partner gives money to another for investing it in a commercial enterprise. The capital investment should normally come from both partners.

The *Mudarabah* (profit sharing) is a contract, with one party providing 100 percent of the capital and the other party providing its specialised knowledge to invest the capital and manage the investment project. Profits generated are shared between the parties according to a pre-agreed ratio. If there is a loss, the first partner "*rabb-ul-mal*" will lose his capital, and the other party "*mudarib*" will lose the time and effort invested in the project.

MUSHARAKAH (Joint Venture)

Musharakah is a relationship between two or more parties that contribute capital to a business and divide the net profit and loss pro-rata. This is often used in investment projects, letters of credit, and the purchase of real estate or property. In the case of real estate or property, the bank assesses an imputed rent

and will share it as agreed in advance. All providers of capital are entitled to participate in management, but not necessarily required to do so. The profit is distributed among the partners in pre-agreed ratios, while the loss is borne by each partner strictly in proportion to respective capital contributions.

IJARAH (Lease)

Ijarah is equivalent to a lease, rent or wage. Generally, the *Ijarah* concept refers to selling the benefit of use or service for a fixed price or wage. Under this concept, the bank makes available to the customer the use of service of assets/equipment such as plant, office automation, motor vehicle for a fixed period and price.

IJARAH THUMMA AL BAI' (Hire Purchase)

Parties enter into contracts that come into effect serially, to form a complete lease/buy back transaction. The first contract is an *Ijarah* that outlines the terms for leasing or renting over a fixed period, and the second contract is a *Bai* that triggers a sale or purchase once the term of the *Ijarah* is complete. For example, in a car financing facility, a customer enters into the first contract and leases the car from the owner (bank) at an agreed amount over a specific period. When the lease period expires, the second contract comes into effect, which enables the customer to purchase the car at an agreed price. The bank generates a profit by determining in advance the cost of the item, its residual value at the end of the term and the time value or profit margin for the money being invested in purchasing the product to be leased for the intended term. The combining of these three figures becomes the basis for the contract between the Bank and the client for the initial lease contract. This type of transaction is similar to the "*contractum trinius*", a legal maneuver used by European bankers and merchants during the Middle Ages to sidestep the Church's prohibition on interest bearing loans. In a *contractum*, two parties would enter into three concurrent and interrelated legal contracts, the net effect being the

“It is based on ethical principle of fairness, transparency and objectivity. Non-interest banking offers almost all the services offered by conventional banks except that they do not give or receive interest, nor finance anything that is considered harmful to society like alcohol, tobacco, gambling, etc in line with Shari’ah ethics”

paying of a fee for the use of money for the term of the loan. The use of concurrent interrelated contracts is also prohibited under *Shari'ah* Law.

IJARAH-WAL-IQTINA

A contract under which an Islamic bank provides equipment, building, or other assets to the client against an agreed rental together with a unilateral undertaking by the bank or the client that at the end of the lease period, the ownership in the asset would be transferred to the lessee. The rentals as well as the purchase price are fixed in such a manner that the bank gets back its principal sum along with profit over the period of lease.

BAI' AL 'INAH (Sale and Buy-back Agreement)

Bai' al inah is a financing facility with the underlying buy and sell transactions between the financier and the customer. The financier buys an asset from the customer on spot basis. The price paid by the financier constitutes the disbursement under the facility. Subsequently the asset is sold to the customer on a *deferred-payment basis* and the price is payable in installments. The second sale serves to create the obligation on the part of the customer under the facility. There are differences of opinion amongst the scholars on the permissibility of *Bai' al 'inah*, however this is practiced in *Malaysia* and the like jurisdictions.

BAI' BITHAMAN AJIL (Deferred Payment Sale)

This concept refers to the sale of goods on a deferred payment basis at a price, which includes a profit margin agreed to by both parties. Like *Bai' al 'inah*, this concept is also used under an Islamic financing facility. Interest payment can be avoided as the customer is paying the sale price which is not the same as interest charged on a loan. *The problem here is that this includes linking two transactions in one which is forbidden in Islam.* The common perception is that this is simply straightforward charging of interest disguised as a sale.

BAI SALAM

Bai salam means a contract in which *advance payment* is made for goods to be delivered later on. The seller undertakes to supply some specific goods to the buyer at a future date in exchange of an advance price fully paid at the time of contract. It is necessary that the quality of the commodity intended to be purchased is fully specified leaving no ambiguity leading to dispute. The objects of this sale are goods and cannot be gold, silver, or currencies based on these metals. Barring this, *Bai Salam* covers almost everything that is capable of being definitely described as to quantity, quality, and workmanship.

BASIC FEATURES AND CONDITIONS OF SALAM

1. The transaction is considered *Salam* if the buyer has paid the purchase price to the seller in full at the time of sale. This is necessary so that the buyer can show that they are not entering into debt with a second party in order to eliminate the debt with the first party, an act prohibited under *Shari'ah*. The idea of *Salam* is normally different from the other either in its quality or in its size or weight and their exact specification is not generally possible.
2. *Salam* cannot be accepted on a particular commodity or

on a product of a particular field or farm. For example, if the seller undertakes to supply the wheat of a particular field, or the fruit of a particular tree, the *salam* will not be valid, because there is a possibility that the crop of that particular field or the fruit of that tree is destroyed before delivery, and, given such possibility, the delivery remains uncertain. The same rule is applicable to every commodity the supply of which is not certain.

3. It is necessary that the quality of the commodity (intended to be purchased through *salam*) is fully specified leaving no ambiguity which may lead to a dispute. All the possible details in this respect must be expressly mentioned.
4. It is also necessary that the quantity of the commodity is agreed upon in unequivocal terms. If the commodity is quantified in weights according to the usage of its traders, its weight must be determined, and if it is quantified through measures, its exact measure should be known. What is normally weighed cannot be quantified in measures and vice versa.
5. The exact date and place of delivery must be specified in the contract.
6. *Salam* cannot be accepted in respect of things which must be delivered at spot. For example, if gold is purchased in exchange for silver, it is necessary, according to *Shari'ah*, that the delivery of both be simultaneous. Here, *salam* cannot work. Similarly, if wheat is bartered for barley, the simultaneous delivery of both is necessary for the validity of sale. Therefore the contract of *salam* in this case is not allowed.

ISTISNA (Manufacturing Finance)

Istisna (Manufacturing Finance) is a process where payments are made in stages to facilitate step wise progress in the Manufacturing/processing/construction works. *Istisna* enables any construction company get finance to construct slabs/sections of a building by availing finances in installments for each slab. *Istisna* also helps manufacturers to avail finance for manufacturing/processing cost for any large order for goods supposed to supply in stages. *Istisna* helps use of limited funds to develop higher value goods/assets in different stages/contracts.

QARD HASSAN/QARDUL HASSAN (Good Loan/Benevolent Loan)

Qard hassan is a loan extended on a goodwill basis, with the debtor only required to repay the amount borrowed. However, the debtor may, at his or her discretion, pay an extra amount beyond the principal amount of the loan (without promising it) as a token of appreciation to the creditor. In the case that the debtor does not pay an extra amount to the creditor, this transaction is a true interest-free loan. Some Muslims consider this to be the only type of loan that does not violate the prohibition on '*riba*', for it alone is a loan that truly does not compensate the creditor for the time value of money.

SUKUK (Islamic Bonds)

Sukuk, plural of *Sakk*, is the *Arabic* name for financial certificates that are the Islamic equivalent of bonds. However, fixed-income, interest-bearing bonds are not permissible in Islam. Hence, *Sukuk*

are securities that comply with the Islamic law (*Shari'ah*) and its investment principles, which prohibit the charging or paying of interest. Financial assets that comply with the Islamic law can be classified in accordance with their tradability and non-tradability in the secondary markets.

TAKAFUL (Islamic Insurance)

Takaful is an alternative form of cover that a Muslim can avail himself against the risk of loss due to misfortunes. *Takaful* is based on the idea that what is uncertain with respect to an individual may cease to be uncertain with respect to a very large number of similar individuals. Insurance by combining the risks of many people enables each individual to enjoy the advantage provided by the law of large numbers. It is also a form of co-operation among participants.

WADIAH (Safekeeping)

In *Wadiah*, a bank is deemed as a keeper and trustee of funds. A person deposits funds in the bank and the bank guarantees refund of the entire amount of the deposit, or any part of the outstanding amount, when the depositor demands it. The depositor, at the bank's discretion, may be rewarded with *Hibah* (see below) as a form of appreciation for the use of funds by the bank.

HIBAH (Gift)

This is a small amount (token) given voluntarily by a debtor in return for a loan. *Hibah* usually arises in practice when Islamic banks voluntarily pay their customers a 'gift' on savings account balances, representing a portion of the profit made by using those savings account balances in other activities.

While it appears similar to interest and may in effect have the same outcome, *Hibah* is a voluntary payment made (or not made) at the bank's discretion. It cannot be guaranteed, similar to dividends earned by shares. Additionally, it is not time bound but is instead at the bank's discretion. However, the opportunity of receiving high *Hibah* will draw in customers' savings, providing the bank with capital necessary to create its profits; if the ventures are profitable, then some of those profits may be gifted back to its customers as *Hibah*. It is important to note once again that although the preceding descriptions of *Hibah* do sound like interest payments, there is a fundamental difference beneath: *Hibah* is voluntary, and at the sole discretion of the giver, whereas payment of interest is contractual obligation that is made or to be made between the parties.

WAKALAH (Power of Attorney)

This occurs when a person appoints a representative to undertake transactions on his/her behalf, similar to a power of attorney.

SUMMARY AND CONCLUSION

The concept of Islamic financing is an emerging one in Nigeria. Its features and products are relatively unknown and it may take some time before Nigerians will come to appreciate its evolution.

Some of the products are similar, yet differences exist.

In a *Mudaraba contract*, for example, profits are shared between the partners in the proportions agreed in the contract, while losses are borne by the provider of finance. In a *Musharaka contract*, profits are shared between the partners in the proportions agreed in the contract, while losses are shared between the partners according to their capital contributions. With *Sukuk*, certificates are issued which are linked to an underlying tangible asset and which also transfer the risk and rewards of ownership. The underlying asset is managed on behalf of the *Sukuk* holders.

In a *Murabahah contract*, payment by the buyer is made on a

deferred or installment basis. Returns are made by the supplier as a mark-up is paid by the buyer in exchange for the right to pay after the delivery date. In an *Ijarah contract*, which is equivalent to a lease agreement, returns are made through the payment of fixed or variable lease rental payments.

The significance of Islamic financing cannot be over emphasised. Islamic finance is widely misunderstood but its core principles could provide a blueprint for a sustainable global economy. The concept of Islamic banking is not materially different from the conventional banking except for the prohibition of interest earning/payment, businesses forbidden, etc. It could be deduced from some of the different products that their modalities are as different from each other as we have in a conventional banking system.

Though Islamic banking is relatively new in Nigeria, it is my candid opinion that when Nigerians come to understand its modalities and appreciate that it does not have negative religious connotations or discriminatory tendencies, it will be a future vehicle for commercial development and success.

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Lagos	Consultancy	March 25 – 26	Lagos Airport Hotel, Ikeja
Jos	Accountancy, Audit & Insolvency	April 15 – 16	Elim Top Suites, No. 1, Golf Course Road, Mai-Adiko, Rayfield, Jos
Port Harcourt	Tax Practice	May 20 – 21	Venue to be determined
Abuja	Telecommunications	April 22 – 23	Sharon Ultimate Hotel, Plot 1710, Tafawa Balewa Way, Area 3, Garki, Abuja
Lagos	Accountancy, Audit & Insolvency	April 29 – 30	Lagos Airport Hotel, Ikeja
Warri	Accountancy, Audit & Insolvency	May 06 – 07	Ishaka Hotel Refinery Road, Ekpan Warri, Delta State
Lagos	General Management Practice	May 06 – 07	Lagos Airport Hotel, Ikeja
Ibadan	Public Sector Accounting	May 13 – 14	Premier Hotel, Mokola Hill, Oremeji, Ibadan North East, Oyo State
Lagos	Manufacturing	May 13 – 14	Lagos Airport Hotel, Ikeja
Owerri	Public Sector Accounting	May 27 – 28	Newton Hotels Ltd, Plot H2b, Public Building Layout, West of Secretariat Complex, off Port Harcourt Road, Owerri
Lagos	Information Technology	June 03 – 04	Lagos Airport Hotel, Ikeja
Abeokuta	Tax Practice	June 03 – 04	Venue to be determined
Ilorin	Public Sector Accounting	June 10 – 11	Royal Shekinah Suites, Ajase Ipo Road, Opposite MRS Filling Station, Ilorin, Kwara State
Benin	General Management Practice	June 24 – 25	Bishop Kelly Pastoral Centre, Airport Road, GRA, Benin-City
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Kano	Tax Practice	July 22 – 23	Venue to be determined
Uyo	Public Sector Accounting	July 29 – 30	Venue to be determined
Lagos	Tax Practice	July 29 – 30	Lagos Airport Hotel, Ikeja
Port Harcourt	Consultancy	August 05 – 06	Venue to be determined
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Abuja	Tax Practice	August 12 – 13	Venue to be determined
Lagos	General Management Practice	August 12 – 13	Lagos Airport Hotel, Ikeja
Kaduna	Consultancy	August 19 – 20	NAF Club, Rabah Road, Kaduna
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Calabar	Accountancy, Audit & Insolvency	August 26 – 27	Transcorp Hotels, 10, Murtala Mohammed Highway, Calabar, Cross River State
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Asaba	General Management Practice	October 14 – 15	Hotel Beniza, 1-4, Kingsley Emu Street, behind Fine Homes, off Summit Road, Asaba
Enugu	Tax Practice	October 21 – 22	Roban Hotels, Ukwu Street, Independence Layout, Enugu
Lagos	Banking	October 21 – 22	Lagos Airport Hotel, Ikeja
Awka	Public Sector Accounting	October 28 – 29	Parktonia Hotels, Near UNIZIK Temp. Site Junction, along Enugu-Onitsha Expressway, Awka, Anambra State
Ibadan	Information Technology	October 28 – 29	Premier Hotel, Mokola Hill, Oremeji, Ibadan North East, Oyo State
Aba	Tax Practice	November 04 – 05	Venue to be determined
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