

# 2019

## ANNUAL REPORT & AUDITED FINANCIAL STATEMENTS



**THE INSTITUTE OF CHARTERED ACCOUNTANTS OF NIGERIA**

(Established by the Act of Parliament No. 15 of 1965)

# CONTENTS

## **Vision Statement**

To be a leading global professional body

## **Mission Statement**

To produce world-class chartered accountants, regulate and continually enhance their ethical standards and technical competence in public interest.

<b>Notice of Meeting.....</b>	<b>2</b>
<b>Officers and Council.....</b>	<b>3</b>
<b>Past Presidents.....</b>	<b>4</b>
<b>President's Statement.....</b>	<b>5</b>
<b>Reports of Committess of Council.....</b>	<b>16</b>
<b>Honourary Treasurer's Report.....</b>	<b>52</b>
<b>Independent Auditor's Report.....</b>	<b>54</b>
<b>Statement of Comprehensive Income.....</b>	<b>55</b>
<b>Statement of Financial Position.....</b>	<b>57</b>
<b>Statement of Changes in Members' Funds.....</b>	<b>58</b>
<b>Statement of Cash Flows .....</b>	<b>61</b>
<b>Notes of Financial Statements.....</b>	<b>62</b>
<b>Other National Disclosures</b>	
<b>Statement of Value Added.....</b>	<b>98</b>
<b>Five-Year Financial Summary.....</b>	<b>99</b>

# 55TH ANNUAL GENERAL MEETING

Notice is hereby given that the 55th Annual General Meeting of The Institute Of Chartered Accountants of Nigeria will hold at ICAN Centre, Plot 12, Kofo Kasumu Street, Lakeview Estate, Amuwo Odofin, Lagos on May 28, 2020 at 11:00am (or virtually if there is still restriction on large gatherings) to transact the following businesses:

## AGENDA

1. To Adopt The Minutes Of The Annual General Meeting Held On May 31, 2019
2. To receive the Annual Report of Council, Financial Statements for the year ended December 31, 2019 and the External Auditors' Report thereon.
3. To appoint the Auditors and authorize Council to fix their remuneration.
4. To elect members of the Governing Council.



By Order of Council.

Dated this 4th Day Of May, 2020

A handwritten signature in black ink, appearing to be 'Ahmed M. Kumshe', written over a circular stamp or seal.

**Prof. Ahmed M. Kumshe FCA**  
Registrar/Chief Executive.



# OFFICERS AND COUNCIL 2019-2020

## President

**Nnamdi Anthony OKWUADIBO** (Mazi), BSc, FCA (2007)

## Vice President

**Onome Joy ADEWUYI** (Dame) BSc, MSc, FCIB, FCA (2007)

## 1st Deputy Vice President

**Comfort Olujumoke EYITAYO**, mni, CFA, FCA (2007)

## 2nd Deputy Vice President

**Tijjani Musa ISA (Mallam)**, BSc, M.IoD, FCA (2009)

## Immediate Past President

**Alhaji Razak A. Jaiyeola**, BSc., ACFE, CRISC, FCA

## Honorary Treasurer

**Oyemolu Olugbenga AKINSULIRE (Chief)**, MSc, MBA, FNIM, FCA (2013)

## Members

- **Oluwatobi Ayodele ABIOLA**, HND, BSc, FCA (2017)
- **Titilola Ariyike Nurat AKIBAYO (Alhaja)**, MBA, FCIT, FCA (2016)
- **Davidson Chizuo Stephen ALARIBE (Chief)**, MA, CFA, MNIM, FCA (2012)
- **Chibuzor Noel ANYANECHI**, BSc, MBA, FCA (2016)
- **Deji AWOBOTU (Dr.)**, M.IoD, FCA (2015)
- **Felicia Aina BAMGBOSE**, FCA (2017)
- **Adaku Chilaka CHIDUME-OKORO (HRM)**, BSc, MSc, FCA (2009)
- **Samson Adewale DISU (Rev.)**, MSc, FCA (2017)
- **Jude Sunday EGBO**, HND, MBA, FCA (2017)
- **Omehe Gaddafi Peter EHKORAGBON**, HND, FCA (2017)
- **Nasiru MUHAMMADU**, BSc, MSc, FCIT, FCA (2014)
- **Sylvester NWANNA**, FCA (2014, 2019)
- **Godwin OBAJE (Navy Capt.)**, FCA (2017)
- **Seun ODERINDE**, FCA (2019)
- **Olutola OGUNDIPE**, B.Eng, FCA (2017)
- **Monica Ngozi OKONKWO**, MSc, ACIB, FCA (2011)
- **Innocent OKWUOSA**, MSc, ACIB, FCA (2011)
- **Jamiu OLAKISAN**, HND, BSc, ACS, FCA (2018)
- **Tajudeen Adewale OLAYINKA**, BSc, MBF, FCA (2014)
- **Etofolam Felix OSUJI (Dr.)**, mni, MSc, FCTI, FCA (2014)
- **Hilda Ofure OZOH**, MBA, FCA (2014)
- **Queensley Sofuratu SEGHSIME**, mni, MBA, FCA (2014)
- **Haruna Nma YAHAYA (Alhaji)**, BSc, MBA, ANIM, FCA (2011, 2014)

## Registrar/Chief Executive

**Prof. Ahmed M. Kumshe**, FCA

## Joint Auditors

**PriceWaterhouseCoopers** (Chartered Accountants)

**UHY Maaji & Co.** (Chartered Accountants)





# PAST PRESIDENTS

## THE ASSOCIATION OF ACCOUNTANTS IN NIGERIA (The Forerunner of the Institute)

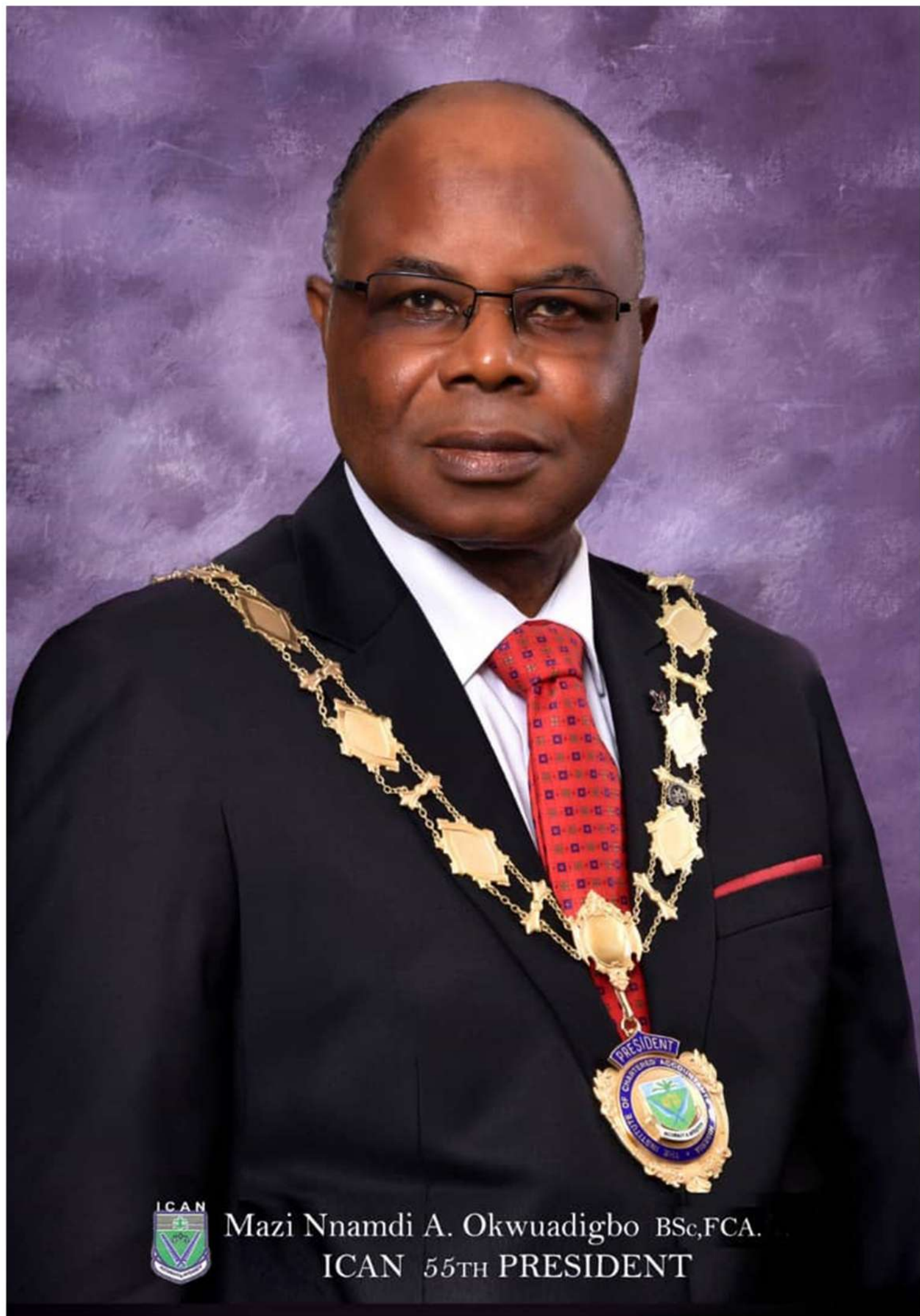
1960 – 1961	Akintola <b>WILLIAMS</b> , CBE, CFR, B.Com., FCA
1961 – 1962	Akintola <b>WILLIAMS</b> , CBE, CFR, B.Com., FCA
1962 – 1963	Frank Cuthbert Oladipo <b>COKER</b> , CFR, B.Com., FCA (Deceased)
1963 – 1964	Frank Cuthbert Oladipo <b>COKER</b> , CFR, B.Com., FCA (Deceased)
1964 – 1965	Frank Cuthbert Oladipo <b>COKER</b> , CFR, B.Com., FCA (Deceased)

## THE INSTITUTE OF CHARTERED ACCOUNTANTS OF NIGERIA

1965 – 1966	Frank Cuthbert Oladipo <b>COKER</b> , CFR, B.Com., FCA (Deceased)
1966 – 1967	Ephraim Adekunle <b>OSINDERO</b> (Otunba), MON, FCA (Deceased)
1967 – 1968	Herbert William <b>BOND</b> , FCA (Deceased)
1968 – 1969	Zacchaeus Oludayo <b>OSOSANYA</b> , FCA (Deceased)
1969 – 1970	Alfred <b>EHREN</b> , FCA
1970 – 1971	Felix Bankole <b>CARDOSO</b> , FCA (Deceased)
1971 – 1972	Emmanuel Ayodele <b>ODUKOYA</b> (Archdeacon), FCA (Deceased)
1972 – 1973	Musliu Olaiya <b>ANIBABA</b> (Chief), FCA
1973 – 1974	Vincent Obajimi Adebisi <b>OGUNBA</b> , FCA (Deceased)
1974 – 1975	Julius Akinyokun <b>OWOSEN</b> (Chief), FCA (Deceased)
1975 – 1976	Michael Adepoju <b>ADEYEMO</b> (Prof.), MSc (Econs.), FCA (Deceased)
1976 – 1977	Cecil Oyeniyi Olurotimi <b>OYEDIRAN</b> , BSc (Econs.), MFR, FCA
1977 – 1978	Anthony Asuquo <b>ANI</b> (Chief), MON, FCA
1978 – 1979	Arthur Christopher Izuegbunam <b>MBANEFO</b> (Chief, Amb.), (Odu III), MFR, CON, FCA
1979 – 1980	Joseph Akintunde Alaba <b>ADEBAYO</b> (Prince), FCA
1980 – 1981	John Adepoju <b>BALOGUN</b> (Sir), FCA (Deceased)
1981 – 1982	Idris Onaolapo <b>SULAIMON</b> (Alhaji), FCA (Deceased)
1982 – 1983	Olusola <b>FALEYE</b> (Chief), FCA (Deceased)
1983 – 1984	Dolanimi Babafemi Olabamidele <b>OGUTUGA</b> , FCA
1984 – 1985	Johnson Kayode Osiyemi <b>OSINAIKE</b> , FCA (Deceased)
1985 – 1986	Adedoyin Olayide <b>OGUNDE</b> (Otunba), FCA (Deceased)
1986 – 1987	Samie Aremu <b>WILLIAMS</b> , FCA (Deceased)
1987 – 1988	Johnson Olaobaju Olabisi <b>OMIDIORA</b> (Balogun), BSc, OON, FCA (Deceased)
1988 – 1989	Ebenezer Folorunsho <b>OKE</b> (Chief), BSc, FCA (Deceased)
1989 – 1990	Bola KUFORJI-OLUBI (HH, Otunba Ayora, Dr.) BSc, OON, FCA (Deceased)
1990 – 1991	Michael Ayodeji <b>ONI</b> , BSc, FCA
1991 – 1992	Cornelius Oladipupo Sunday <b>OSENI</b> , BSc, FCA (Deceased)
1992 – 1993	Oluwole Alani <b>ADEOSUN</b> (Chief), BSc, OON, FCA (Deceased)
1993 – 1994	Ismaila <b>USMAN</b> (Mallam), FCA
1994 – 1995	Olutoyin Olusola <b>OLAKUNRI</b> (Chief, Mrs.), OFR, FCA (Deceased)
1995 – 1996	Simeon Olusola <b>OGUNTIMHIN</b> (High Chief, Sir), OON, FCA
1996 – 1997	Emmanuel Itoya <b>IJEWERE</b> , FCA
1997 – 1998	Agnes Adenike <b>ADENIRAN</b> (Princess), FCA
1998 – 1999	Ike <b>NWOKOLO</b> (Dr., Sir, Chief), OFR, KSC, ATII, FCIT, FIMC, CMC, FBR, FCA (ICAEW), FCA
1999 – 2000	Adeboye Olugboyega <b>BADEJO</b> (Chief), FCA
2000 – 2001	Herbert Adewole <b>AGBEBIYI</b> , KJW, FCA
2001 – 2002	Ugochukwu Stephen <b>NWANKWO</b> (Chief), MON, FCA (Deceased)
2002 – 2003	Felix Kolawole <b>BAJOMO</b> (Senator, Chief), mni, FCA
2003 – 2004	Jaiye Kofolaran <b>RANDLE</b> (Bashorun), CFR, FCA
2004 – 2005	Ibironke Mojisola <b>OSIYEMI</b> (Mrs.), FCA
2005 – 2006	Abdul Lateef Adebayo <b>OWOYEMI</b> (Alhaji, Otunba), FCA
2006 – 2007	Catherine Ginikanwa <b>OKPAREKE</b> (Chief, Dr., Mrs.), mni, B.A, MBA, D(Lit.), MNIM, FCA
2007 – 2008	Adebajo Abiodun <b>BABINGTON-ASHAYE</b> (Prince), FCA (Deceased)
2008 – 2009	Elizabeth Omeresan <b>ADEGITE</b> (Chief, Mrs.), BSc, MBA, FCA
2009 – 2010	Sebastian Achulike <b>OWUAMA</b> (Major-General ret'd.), BSc, FCA
2010 – 2011	Francis <b>OJAIDE</b> (Professor), MSc, PhD, OON, FCA
2011 – 2012	Adedoyin Idowu <b>OWOLABI</b> , BSc, MILR, FNIM, FCA
2012 – 2013	Kabir Alkali <b>MOHAMMED</b> (Alhaji), mni, FCIS, CGMA, MFR, FCA
2013 – 2014	Chidi Onyeukwu <b>AJAEGBU</b> , FCS, MBF, FCA
2014 – 2015	Samuel Olufemi <b>DERU</b> (Otunba), FNIM, JP, FCA
2015 – 2016	Titus Alao <b>SOETAN</b> (Deacon), FCA
2016 – 2017	Isma'ila Muhammadu <b>ZAKARI</b> (Mallam), mni, BSc, FBR, FCA
2018 – 2019	Alhaji Razak A. <b>JAIYEOLA</b> , BSc., ACFE, CRISC, FCA (IPP)

*Past Presidents*





Mazi Nnamdi A. Okwuadigbo BSc,FCA.  
ICAN 55TH PRESIDENT



# PRESIDENT'S STATEMENT

It is a privilege to give an account of our stewardship in the last 12 months at this 55th Annual General Meeting (AGM) of The Institute of Chartered Accountants of Nigeria (ICAN). I welcome our esteemed members and other stakeholders to this important annual meeting. We were entrusted with the leadership of ICAN one year ago. The only way we could justify the confidence reposed in us is to intimate the distinguished members of the Institute and other stakeholders with what we were able to realize in our bid to move ICAN forward.

Undoubtedly, our humble achievements were possible through the immense support we enjoyed from students, Accounting Technicians and Professional Members of the Institute in the course of the year. We were also able to surmount the operational challenges of the year as a result of the backing of our diverse stakeholders. At this AGM, we would also present the audited financial statements for the year ended December 31, 2019.

The activities of the Institute during the Presidential Year were conducted against the backdrop of local and international developments. We operated under the prevailing social, financial, economic and environmental conditions. Some of these factors spurred us towards achieving the targets we set at the beginning of the year while some of the developments challenged our resolve. Altogether, we weathered the storm and were able to provide excellent services to our members in spite of the challenges. It is apposite that I give an overview of the economy in the year in order to set the tone for our activities in the year.

## AN OVERVIEW OF THE ECONOMY

In 2019, the general elections were conducted successfully into the various arms of government.

To consolidate on the success of the first term, government and its agencies intensified their efforts at improving the ease of doing business, stabilising the exchange rate and moderating the pace of inflation.

The demand of crude oil was impacted on by the trade war among the two economic giants – the United States of America and China. Crude oil price (Brent) declined to an average of \$64.34pbl in 2019



Visit to the Senate President at the National Assembly

The demand of crude oil was impacted on by the trade war among the two economic giants – the United States of America and China. Crude oil price (Brent) declined to an average of \$64.34pbl in 2019 from \$71.06pbl in 2018. To abate the threats to growth, the Central Bank of Nigeria became more accommodative, which facilitated the increase in capital inflows to high-yielding emerging economies and portfolio allocations that favoured equities.

In Nigeria, the real GDP growth rate improved to 2.27% in 2019 from 1.93% in the preceding year. The growth rate of the economy remains tepid with the weakening of crude prices and the rising spate of illegal bunkering activities in the Niger-Delta Region, which disrupts oil flow on pipelines that feed major export terminals.



# PRESIDENT'S STATEMENT

However, the Government's plan to diversify the economy from over-reliance on crude oil yielded results, as growth in the Non-Oil Sector outperformed the Oil-Sector by contributing 1.87% to real GDP growth, compared with a 0.4% contribution by the oil sector. Growth in the Non-Oil Sector was buoyed by the Telecommunication and Agricultural sectors. The growth in the Telecommunication Sector was propelled by the steady growth in subscriber numbers and investments in newer technology, while the Agricultural Sector expanded due to the sustained intervention of the Government in the agricultural value chain as well as the curtailment of the farmer-herder conflict in food-producing States and increased rainfall, which improved harvest. The improvement in food production drove inflation downwards as average inflation declined to 11.39% in 2019 from an average of 12.14% in 2018. However, the closure of land borders which is aimed at checking smuggling activities reversed some of the gains achieved in price stability. The slower pace of inflation provided the avenue for the Central Bank to reduce the official monetary policy rate from 14% to 13.5% in the first quarter of the year. The Central Bank also turned to a more accommodative monetary stance, through directives and regulations, to stimulate economic growth by minimising the crowding-out of the private sector and reducing the private and public cost of borrowing.

The CBN prescribed a Loan-to-Funding ratio of 60% to be met in September 2019 and increased the ratio to 65% by December 2019. A punitive levy of an additional Cash Reserve Requirement (CRR) of 50% on the shortfall implied by the target Loan-to-Funding ratio was applied to defaulting banks. Furthermore the cost of borrowing trended downwards with the Apex Bank's directive to exclude individuals and local corporates from participating in Open Market Operations (OMO). Money market yields were also impacted by the policy to reduce the remunerable daily Standing Deposit Facility (SDF) to N2 billion from



**Visit to the Speaker, House of Representatives  
Hon. Femi Gbajabiamila**

N7.5billion. The Naira was relatively stable during the financial year, but exchange rate pressures intensified as weak oil revenues and slowdown in capital flows by foreign investors reduced the supply of foreign exchange.

The Central Bank curtailed the exchange rate pressures by intensifying its intervention in all segments of the foreign exchange market and close monitoring of the liquidity in the banking system. Correspondingly, the fiscal policy was aligned to stimulate economic growth, with the passage of the 2019 Finance Bill.

The Bill seeks to reform domestic tax laws to align with global best practices by mitigating against double taxation and regressive taxation. The Bill is also expected to create tax incentives for small businesses and investments in infrastructure and capital markets.



In addition, the Finance Bill will address the government's challenge of a low tax-revenue, by increasing VAT from 5% to 7.5% and by including non-resident companies with a significant economic presence in Nigeria, into the tax net. Overall, the Nigerian economy recorded moderate improvements in the area of growth, price and exchange rate stability as well as fiscal stability.

## IMAGE OF THE INSTITUTE

### 1.1 Enforcement of the Rules of Professional Conduct

We remained resolute in creating regular awareness among our members on the need to adhere to the Code of Conduct of the accounting profession. To give credence to our commitment, we observed the Global Ethics day in October 16, 2019. This was the first time ICAN would celebrate this day and it was a way of deepening advocacy on the importance of ethics to the accounting profession and its practitioners.

In the period under review, we used our various engagements with members and students to remind them of the Code of Conduct and the implications of their flouting the rules and regulations.

The COVID-19 crisis raised new ethical issues in the profession that may arise during and as an aftermath of the pandemic.



**ICAN President, Mazi Nnamdi Okwuadigbo receiving a Souvenir from the Chairman of Federal Inland Revenue Service (FIRS), Muhammad Mamman Nami during his visit to his office in Abuja.**

For instance, as noted by the Financial Reporting Council of Nigeria (FRC), disclosures regarding subsequent events, material uncertainties and risks will be required in conjunction with quantitative disclosures of estimation or assumption uncertainty. Failure to adequately disclose these would amount to a breach of professional conduct. We therefore followed COVID-19 developments and provided guidance for our members as may be required.

### 1.2 Creation of COVID-19 Resources

We understand the implications of COVID-19 on business and professional activities and the need for our members to be equipped with relevant knowledge and information to guide them in their professional practice. Hence, COVID-19 Resources have been created on the Institute's website where we continue to warehouse various guidance materials from the Institute and other reputable organisations and firms.

### 1.3 ICAN Tribunal, Investigating Panel and Committees

One of the ways to protect the enviable legacy and image of the Institute is to ensure that our members do not bring ICAN into disrepute. The various disciplinary mechanisms established by the Institute actively discharged their mandates. A joint meeting of the bodies involved in investigation was held in the course of the year with the sole purpose of enlightening the members of their roles

#### ICAN Disciplinary Tribunal

The ICAN Disciplinary Tribunal considered a total of 18 cases out of which 4 were concluded. To expedite the adjudication of cases, we collated information on the causes of the backlogs as a first step to finding solution to the problem.

#### Students' Investigating Committee

A total of 12 cases were considered by the Students' Investigating Committee out of which 7 was concluded.



# PRESIDENT'S STATEMENT



**ICAN President, Mazi Nnamdi Okwuadigbo presenting a gift to senate president Dr. Ahmed Ibrahim Lawan**

## **AAT Investigating Committee**

No cases were received by the AAT Investigating Committee during the Presidential Year.

## **1.4 Strategic Collaborations with Government and its Agencies**

We met with various government functionaries at both the Federal and State levels including the Senate President of the Federation, Dr Ahmed Ibrahim Lawan and the Speaker of the House of Representatives, the Right Hon. Femi Gbajabiamila. We used the opportunity of these visits to discuss how to strengthen ICAN's contributions to the imperative of inclusive growth and development in the country.

We reached some understanding with these leaderships and the Institute is followed up on those understanding. During these visits, a number of States governors showed interest in ICAN initiatives such as the ICAN Accountability Index (ICAN-AI) and the Mutual Cooperation Agreement with Tertiary Institutions (MCATI). Indeed, some governors have adopted the ICAN-AI as performance metric for political appointees and various Ministries, Departments and Agencies (MDAs).

I also wish to mention that the Institute was

invited to the Federal Inland Revenue Service (FIRS) Stakeholders' Forum in February 2020 where I delivered a goodwill message and also participated at a Panel Session.

## **1.5 Media Presence**

To give voice to our activities and put ICAN on the front burner of social and economic discourse, we contributed to national issues of relevance to the Institute and the accounting profession. These were given adequate publicity by both the print and broadcast media.

To improve the content of our media engagements and directly address the needs of our members, we mandated the Research and Technical Department to develop a questionnaire. The questionnaire focused on identifying members' needs and expectations from the Institute. When concluded, the information would guide and deepen the content of the President and Registrar's engagement with the media on issues bordering on members and the Institute.

## **1.6 Safeguarding the Integrity of the Institute's Examinations**

The Institute's transition to onscreen marking made it more imperative to safeguard the integrity of our examinations. Examiners were properly trained on the workings of the new system in order to forestall compromise of the entire process. '

The COVID-19 pandemic led to the postponement of the maiden three-diets March 2020 edition of the Institute's examinations. However, we ensured that this disruption did not compromise the integrity of the examination. While the examinations were postponed few days to the scheduled dates, the materials were secured to forestall any compromise.

## **1.7 The Nigerian Accountant and ICAN Students' Journal**

The Editorial Board of The Nigerian Accountant reviewed and repositioned The Nigerian Accountant and the ICAN Students' Journal with a view to



# PRESIDENT'S STATEMENT

making them more appealing, and their contents robust and all-inclusive. The Journals can now compete with other highly rated journals both in terms of content and feel. They now feature more topical issues, especially subject on how technology is disrupting the accounting profession.

## 2.0 DISTRICT SOCIETIES

In the Presidential Year, the District Societies remained a strong link between ICAN, its members and the public. Presently, we have a total of 59 District Societies out of which two (2) were inaugurated in this Presidential Year. I also performed the investiture of eleven (11) Chairmen of District Societies.

The Catch-Them-Young programme, devolved to District societies, served as a channel for monitoring students' attendees until they become members of the Institute. In the year, we held 14 Catch-Them-Young programmes in different locations across the country.

We also provided the usual support and encouragement for the District Societies. The Institute has commenced the construction of the Port Harcourt Regional District Office Project. The building would serve as a Centre for the conduct of the Institute's examinations, MCPD/Faculty programmes and Events Centre for the general public.

The foundation laying ceremony of the Chidi Onyeukwu Ajaegbu ICAN Resource Centre, Umuahia held on May 23, 2020. When completed, the Resource Centre would enhance the activities and improve access to useful materials for building the professional competence of our members in Umuahia & District Society of ICAN. It would also provide a more enabling environment for the Institute's activities in the region. I wish to acknowledge one of our revered Past Presidents, Mr Chidi Onyeukwu Ajaegbu, FCA who, in his usual magnanimous manner,

donated the counterpart fund for the construction of this edifice. In line with the Institute's policy, we have named this Resource Centre Chidi Onyeukwu Ajaegbu ICAN Resource Centre, Umuahia

Also, arrangements had been concluded to lay the foundation of the Resource Centre for Offa & District Society of ICAN. We postponed the programme due to the lockdown in the country. Similarly, Warri District project was approved for commencement.

## 3.0 BUILDING PARTNERSHIP WITH TERTIARY INSTITUTIONS

To deepen our relationships with tertiary institutions across the country, we paid courtesy visits to the Minister of Education, Mallam Adamu Adamu, Vice Chancellors and Rectors of various institutions

We awarded Inaugural Lecture Grants to two members of the Institute who delivered their Inaugural Lectures - Prof. Jeremiah Uwaifo Idialu, FCA (Samuel Adegboyega University, Ogwa) and Professor Eugene Okoye Nwadiakor, FCA (Godfrey Okoye University, Enugu).

We also awarded Ph.D. Grants to seven (7) qualified members of the Institute to provide financial support to members pursuing their doctoral degrees.



**ICAN President, Mazi Nnamdi Okwuadigbo pays courtesy visit to Abia State Governor Okezie Ikpeazu**





**ICAN President and Members of the Council at the ICAN Canada District Conference in July 2019**

#### **4.0 RELATIONSHIP WITH THE INTERNATIONAL ACCOUNTING BODIES, REGIONAL BODIES, PROFESSIONAL ACCOUNTANCY ORGANIZATION (PAOS) AND OTHER PROFESSIONAL BODIES**

We sustained our relationship with the International Federation of Accountants (IFAC), the Chartered Accountants Worldwide (CAW), the Pan African Federation of Accountants (PAFA) and the Association of Accountancy Bodies in West Africa (ABWA). We attended the various meetings (physical and online), knowledge events and technical sessions organized by these bodies and met our financial obligations to the bodies.

I am greatly pleased to inform you that two of our revered Past Presidents were appointed into IFAC Board and Committee last year. Alhaji Isma'ila Muhammadu Zakari, FCA was appointed an IFAC Board member representing Africa and the Middle East while Alhaji Razak Jaiyeola, FCA was appointed a member of the Professional Accountancy Organization Development Committee of IFAC. Also, Dr Innocent Okwuosa, FCA was appointed a member of the International Panel on Accounting Education (IPAE) of IFAC. The cordial relationship between ICAN and other Professional Accountancy Organizations (PAOs) was strengthened within africa, we continued to

mentor other PAOs such as The Gambia, Liberia and Sierra Leone. We also honoured invitations from other professional bodies in the country through attendance at their various events such as Investiture, Annual Lectures and Dinners.

#### **5.0 STUDENTS' DEVELOPMENT**

In support of the Institute's students to achieve their dreams of becoming Chartered Accountants, we started the use of a new syllabus in November 2019 diet of the Institute's examinations; produced study packs; awarded various categories of scholarships; extended financial support to various institutions' accounting/accountancy associations; accredited tertiary institutions and signed Mutual Cooperation Agreement with Tertiary Institutions (MCATI).

#### **6.0 PROFESSIONAL EXAMINATION**

During the year, the Governing Council approved 3-diet examinations for all levels of the professional examinations. Due to the coronavirus (COVID-19) pandemic, we postponed the maiden edition of the 3-diets initially scheduled to hold between March 24 – 26, 2020. A new date for the examinations would be announced.

#### **7.0 GROWTH IN MEMBERSHIP**

During the year, we intensified our efforts at marketing our professional qualifications to the



various stakeholders and projected the immense contributions of our members to nation building. Consequently, the membership of the Institute continued to grow under the outgoing Presidential Year.

The Association of Accounting Technician West Africa (AATWA) inductions were held as scheduled in June and December 2019. A total of 1,406 Accounting Technicians were inducted at the two occasions. Similarly, the Association had its Annual General Meeting in December of 2019. The number of AATWA members currently stands at 25,350.

The Professional inductions were also conducted in November 2019 and May 2020. A total of 2,959 qualified students were inducted into the professional membership of the Institute. This brought the number of ICAN professional members to 51,458

## 8.0 CAPACITY BUILDING PROGRAMMES



**ICAN President, Mazi Nnamdi Okwuadigbo gives speech at ICAN 's 49th Annual Accountant's Conference**

### 8.1 49th Annual Accountants' Conference

The 49th Annual Accountants' Conference with the theme Building Nigeria for Sustainable Growth and Development recorded a total attendance of 5,653 delegates comprising 5,357 fee-paying delegates and 296 non-fee paying delegates. This is unprecedented when compared with figures recorded in the last six years.

The Conference had dignitaries from both the public and private sectors of the economy including the Special Guest of Honour, His Excellency, President Muhammadu Buhari, GCFR, President and Commander-In-Chief of the Armed Forces, Federal Republic of Nigeria, ably represented by the Secretary to the Federal Government of Nigeria, Mr Boss Gida Mustapha and the Keynote Speaker, Prof Patrick LO Lumumba, former Director of Kenya Anti-Corruption Commission and Founder and Chairman, The PLO Foundation & Advocate of High Courts of Kenya and Tanganyika

### 8.2 Academic Conference

To cater for the needs of our members in the academia, ICAN organizes Annual International Academic Conference on Accounting and Finance and related topics. The 6th edition was scheduled to hold at the University of Ilorin between April 14 to 16, 2020 in collaboration with the University. However, the Conference was postponed due to COVID-19. A new date would be announced for the Conference.

### 8.3 Economic Discourse

The Institute held its 4th Economic Discourse Series, at MUSON Centre, Onikan, Lagos, Nigeria on December 9, 2019. The theme of the Discourse was "Current Reforms in Nigeria and 2020 Economic Outlook." The Communique issued at the end of the Discourse was published in two national dailies.

A total of 621 delegates drawn from different sectors of the economy including ICAN Council members, revered Past Presidents, captains of industry and thought leaders attended the one-day event.



# PRESIDENT'S STATEMENT

The Chairman of the Institute's Body of Past Presidents, Dr Emmanuel I. Ijewere, FCA, was the Chairman of Session while the Keynote Speaker was Dr Biodun Adedipe, Chief Consultant, B. Adedipe Associates Limited.

## 8.4 Technical Bulletin and Exposure Drafts

We continued to meet the technical needs of our members through regular release of the quarterly Technical Bulletin of the Institute. The Bulletin addresses emerging issues in the profession and provides information for building the capacity of members to appropriately respond to these developments.

The 5th Economic Discourse was held on May 21, 2020 through webinar. Alhaji Ismai'la Zakari, mni, FCA, a Past President of ICAN, was the Chairman of the Discourse with the theme COVID-19: Strategies for Mitigating Economic Crisis in Nigeria. There were also 4 Speakers who delivered papers on the 4 sub-themes. A total of 1338 participants attended the webinar.

We equally responded to Exposure Drafts from the IFAC, IFRS and other standard setters. Our contributions were duly acknowledged and hosted on the website of these institutions.

## 9.0 PRACTICE LICENCE

The demand for the Institute's Practice Licence continued to grow in the year. We received about 1000 renewal applications and 600 fresh ones. All the applications were processed and the Licence issued to qualified applicants. We equally communicated applicants whose applications did not meet the criteria for issuance of Practice Licence

## 10.0 SMP CAPACITY DEVELOPMENT PROGRAMME

To provide professional assistance to members in Small and Medium Practice (SMP), we approved the commencement of SMP Capacity Development Programme in six geopolitical zones. The first run of the programme was planned to

hold in the first quarter of 2020 but it was postponed due to COVID-19.

## 11.0 ADVOCACY

We deployed various media to intensify the advocacy of the Institute. The media interviews we had addressed issues on the economy and the profession including human capital development, corruption, budget, African Continental Free Trade Agreement, Treasury Single Account (TSA), unemployment and Corporate Governance.

As part of the Institute's advocacy, we made presentations at the National Assembly during the Public Hearings on the 2020 Budget and the Finance Bill 2019. Our presentations focused on the gray areas in the then proposed 2020 budget and the Finance Bill 2019. The Institute's recommendations and suggestions were duly acknowledged by the leadership of the National Assembly.

## 12.0 PUBLIC SECTOR FINANCIAL MANAGEMENT – THE ICAN ACCOUNTABILITY INDEX (AI)

One of the major initiatives of the Institute to improve the management of public sector finance is the ICAN Accountability Index (ICAN-AI). This initiative enables government, in the three tiers, to appropriately manage their financial resources. The first result of the Index received commendations from various quarters. The second report was due for release in March 2020 but this was disrupted by the pandemic.

It is noteworthy that the 2nd assessment covers the 774 local governments across the Federation and the Area Council in the Federal Capital Territory (FCT). This was a major improvement from the first edition of the assessment that only covered the Federal Government and the 36 States governments.

To solicit the support of the members of the Federation Account Allocation Committee (FAAC), we made a presentation at their October 2019 meeting at the Federal Ministry of Finance, Abuja.





Members of FAAC commended the Institute for this initiative and pledged their continued support.

## 13.0 TECHNOLOGY DEPLOYMENT

In line with global trends, we continued to invest in technology to facilitate more effective and efficient service delivery to stakeholders.

The activities of the Institute are now principally technology-driven. We have drastically reduced manual processes with its attendant impact on cost reduction. Some IT initiatives we are deploying include Teleconferencing/e-meeting solution across the three office locations in Victoria Island, Ebute-Metta and Abuja; onscreen marking for our professional examinations; server collocation enabling the Institute to control its server services; enhanced payment integration on the members' portal to ensure that payments made are updated to members' financial records among others.

The Institute's investment in technology also enabled staff of the Institute to work seamlessly from home during the lockdown engendered by COVID-19. During this period, we also conducted Council meetings remotely and essential Committees and Sub-Committees meetings were also held online.

## 14.0 SECRETARIAT

### 14.1 Appointment of a New Registrar

Upon the retirement of the immediate past Registrar/Chief Executive of the Institute, Mr John Evbodaghe, FCA, the Governing Council approved the appointment of a new Registrar, Prof. Ahmed Kumshe, FCA. Prof. Kumshe resumed in September 2019 and took over officially on January 1, 2020.



(L-R) Former Registrar/Chief Executive, Mr John Evbodaghe FCA; ICAN President, Mazi Nnamdi Okwuadigbo, FCA and the new Registrar / Chief Executive, Prof. Ahmed M. Kumshe

### 14.2 Staff Complement and Creation of a Marketing Department

In order to complement the staff strength and improve service delivery, we employed additional 36 staff into various departments. Most of these staff are subject-matter specialists occupying strategic desks in the Institute.

A new Marketing Department headed by a Principal Manager was also created. The Marketing Department developed integrated marketing communications plan (via digital, content and traditional marketing) to bolster our engagement with stakeholders and further project the Institute's image.

### 14.3 Redeployment

We did a holistic redeployment of staff in our bid to re-strategise and increase the efficiency and effectiveness of the human capital of the Institute. This Institute-wide redeployment has not been done in recent years.

### 14.4 Training

To ensure that members of staff are fit to professionally discharge their duties, we prioritized regular training and re-training. During the year, over 90% of the ICAN workforce went on training.

### 14.5 ICAN Contact Centre

We have outsourced our Contact Centre for better service delivery and to enable our workforce to focus on their core deliverables. The Contact Centre was also established for prompt resolutions of enquiries on the Institute's activities.

### 14.6 Engagement of a New Health Management Organization (HMO)

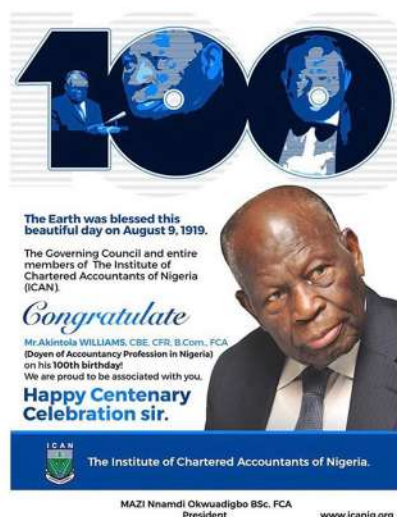
The quality of services rendered by staff depends on the state of their health. Consequently, we harvested comments from staff on the effectiveness of the HMO formerly engaged and we realised that majority of staff were dissatisfied with the services of the HMO. We engaged a new HMO from December 1, 2019. Members of staff have been accessing adequate health care under the new HMO.



## 15.0 CELEBRATION OF THE CENTENARY BIRTHDAY OF THE DOYEN, MR AKINTOLA WILLIAMS, CBE, CFR, FCA

In the course of the year, we celebrated the centenary birthday of the Doyen of the accounting profession in Nigeria, Mr Akintola Williams, CBE, CFR, FCA. The birthday was observed on August 9, 2019. The Institute joined the global community and the country to pay glowing tributes to the architect of our profession in the country.

We pray that the Doyen would receive more strength to enjoy the rest of his life.



## 16.0 CELEBRATION OF THE 2020 INTERNATIONAL WOMEN'S DAY

The Institute joined the international community on March 8, 2020 to celebrate the 2020 International Women's Day. The Day was used to acknowledge the immense contributions of our female members and staff to the growth of the nation and the Institute.

## 16.0 INDUCTION AND FELLOWSHIP CONFERMENT

The following statutory programmes of the Institute were also held remotely for the first time in the history of the Institute:

- 18th Conferment of Fellowship Status Ceremony held on May 14, 2020 with a total number of 1353 members conferred with the Fellowship Status.

- 65th Induction Ceremony held on Wednesday, May 20, 2020. A total number of 1,212 members were inducted as Associates of the Institute.

## CONCLUSION

The Presidential Year ended on a note of global concerns on the COVID-19 pandemic. As an Institute operating within the global social and immediately after my investiture as the 55th President of the Institute, we resolved that this administration would build on past legacy and leverage technology to enhance the responsiveness of the Institute and effectively manage cost. We were elated with the manner members of the Institute embraced this initiative which manifested in many ways. I am pleased to inform you that over 80 percent of our meetings in the Presidential Year were held online. This did not only minimize cost but reduced the risk in travelling by Committees members.

My parting words can best be summarised in the words of John Irving that "You only grow by coming to the end of something and by beginning something else". Even though my tenure is ending as the 55th President of The Institute of Chartered Accountants of Nigeria (ICAN), I am renewing my pledge to be an ambassador of our great Institute and continually avail ICAN my support in its various activities.

I thank you all for the privilege given me to serve the over 50,000 professional members and 25,000 Accounting Technicians. The period afforded me the opportunity to contribute my quota to the development of the accounting profession and also a privilege to learn from colleagues and other stakeholders. Undoubtedly, it was a highly rewarding, albeit tasking, experience.

I appreciate you all. God bless.

**Mazi Nnamdi Okwuadigbo, BSc., FCA**  
**55th President**



## ANNUAL ACCOUNTANTS' CONFERENCE COMMITTEE

The 49th Annual Accountants' Conference was successfully held at the International Conference Centre, Abuja and Sheraton Abuja Hotel from Monday, September 9 to Friday September 13, 2019. The Conference was declared open by the Special Guest of Honour, President, Commander-in-Chief of the Armed Forces of the Federal Republic of Nigeria, His Excellency, Muhammadu Buhari, GCFR, who was ably represented by the Secretary to the Government of the Federation, Mr. Boss Mustapha.

The Conference had in attendance dignitaries and resource persons from across the globe with top brass from government agencies, professional bodies, academia and the industries. The Founder and Chairman of PLO Foundation and Advocate of the High Courts of Kenya and Tanganyika, Professor Patrick Loch Lumumba, delivered the Lead Paper on "Strengthening Institutional Framework to Support Anti-Corruption Drive". Other eminent personalities present were the Kaduna State Governor, His Excellency, Mallam Nasir El-Rufai; the former Ogun State Governor, Senator Ibikunle Amosun, FCA; the Chairman Senate Committee on Capital Market, Senator Solomon Olamilekan Adeola, FCA; the Chairman, Senate Committee on Finance, Hon Ibrahim Babangida; the Minister of State for Labour, Senator Omotayo Alasoadura, FCA; the former Executive Chairman of Federal Inland Revenue Service, Mr Babatunde Fowler; the Acting Chairman of Economic and Financial Crimes Commission, Mr. Ibrahim Magu; the Auditor-General for the Federation, Mr Anthony Ayine, FCA; the Managing Director, Transmission Company of Nigeria, Mr. U.G Mohammed, PhD, FCA; the Governor of Borno State, His Excellency Professor Babagana Umara Zulum, represented by Dr. Babagana Wakil, Chief of Staff to the Governor. In attendance were also sister local and foreign professional bodies, heads of government agencies, royal fathers and captains of industry.



**Declaring the 49th Annual Accountants' Conference Open**

The Institute received goodwill messages from His Excellency, Muhammadu Buhari, GCFR, President of the Federal Republic of Nigeria, Ms Amina J. Mohammed, Deputy Secretary-General of the United Nations, Dr. Okezie Ikpeazu, Governor, Abia State, West African Economic and Monetary Union, the International Federation of Accountants, Pan African Federation of Accountants (PAFA), Association of Accountancy Bodies in West Africa (ABWA) and Association of Professional Bodies in Nigeria (APBN).

The Conference recorded a total attendance of 5,653 delegates as against the previous year's figure of 4745. Attendees include: Members, Council members, Invited dignitaries, Past Presidents, Past Registrar/Chief Executives, Resource Persons, Discussants, Chairmen of Sessions, Committee Members and the Secretariat Staff of the Institute.

The attendance was very remarkable and unprecedented when compared with figures recorded in the last six years. This was more surprising given the conference was held in September as against the traditional month of October.



**At the 49th Annual Accountants' Conference**





Cross section of participants at the Annual Accountants' Conference



Prof. Patrick Mulumba delivering lead paper at the Annual Accountants' Conference



EFCC Chairman Ibrahim Magu gives speech at the Annual Accountants' Conference



Golf Tournament at the Annual Accountants' Conference

## MEMBERSHIP AFFAIRS COMMITTEE

### ASSOCIATE MEMBERS OF THE INSTITUTE

A total of 3,377 ( Three Thousand Three Hundred and Seventy Seven ) Inductees were admitted into membership of the Institute at the May and November 2019 induction ceremony as against 3569 ( Three Thousand Five Hundred and Sixty Nine ) Inductees admitted in 2018. The two ceremonies were held at the ICAN Centre, Amuwo-Odofin, Lagos. A total of 11 members of IFAC recognised PAOs were also admitted as Registered Accountants.

The total membership strength of the Institute as at December 31, 2019 was 50,299.

### MEMBERS' RECORDS AND DOCUMENTATION ON CHANGE OF NAME (MARITAL & OTHER GROUNDS) & EXEMPTION FROM PAYMENT OF ANNUAL SUBSCRIPTION

DESCRIPTION	NOS.
a) Marital Ground	186
b) Other Ground such as (Religion, Tradition, Personal etc.)	71
c) Exemption from Subscription after the attainment of 65years.	831

As at December 2019, the membership of the Institute was 50,299 made up of 50,244 Chartered Accountants and 55 Registered Accountants.

The numbers in each class of membership were as follows:

Membership	Nos.
Fellows	14,587
Associates	35,657
Registered Accountants	55
Total Membership as at 31st December 2019	50,299



# REPORTS OF COUNCIL COMMITTEES

## MORE INFORMATION ON MEMBERSHIP RECORDS

Total membership of the Institute as at 31st December, 2019	50,299
Recorded Death as at 31st December 2019	785
Members on pending list due to unresolved issues with the Institute	8
Total Membership as at 31st December 2019	49,506

## LIST OF DECEASED MEMBERS FOR 2019-2020 PRESIDENTIAL YEAR

S/NO	NAMES	MEMBERSHIP NO.
1.	<b>AGHAHOWA</b> Garrick Aihanuwa	MB000003
2.	<b>LADEINDE</b> Oluyomi Adegunle	MB000126
3.	<b>BANKOLE</b> Jacob Oloruntola Taiwo	MB000485
4.	<b>OLWOKANDE</b> Clement Adekunle	MB000959
5.	<b>SHONUBI</b> Ayodeji	MB001544
6.	<b>OBIANYI</b> Daniel Enyinna	MB003833
7.	<b>OLAOFE</b> Emmanuel Olugbemiga	MB004017
8.	<b>LAWAL</b> Abdullateef Olanrewaju	MB005679
9.	<b>OGUNBIYI</b> Ademola	MB006695
10.	<b>ANUYA</b> Oghenegueke Friday	MB006740
11.	<b>DOSUMU</b> Olumuyiwa Olusegun	MB007949
12.	<b>EKPIWHRE</b> Kate Igbo	MB009051
13.	<b>OLUWOLE</b> Olushola Ishola	MB016741
14.	<b>SALAKI</b> Erhiorin Ruth	MB021549
15.	<b>OGOKE</b> ThankGod Chukwuemeka	MB021858
16.	<b>GBEREBGE</b> Ferry Barineka	MB024066
17.	<b>NDIBIRI</b> Lebari	MB025550
18.	<b>OYEWOLE</b> David Oluwatosin	MB026888
19.	<b>SUNDAY</b> Kayode Olorunwa	MB026947
20.	<b>NYIEKULA</b> Aondongu Godwin	MB033762
21.	<b>SUNDAY</b> Kayode Olorunwa	MB026947

22.	<b>ADEMOLA</b> Olufemi Sunday	MB034482
23.	<b>OJOJANE</b> Ajibola	MB036542
24.	<b>FONGA</b> Tunga Umore	MB041204
25.	<b>ADEWALE</b> David Adekunle	MB043450

## ASSOCIATION OF ACCOUNTING TECHNICIANS WEST AFRICA (AATWA)

### AATWA INDUCTION CEREMONY

Two induction ceremonies were held in June and December, 2019 respectively. A total of 672 and 753 ATSWA graduates were admitted into the Association's membership fold of the Institute. Therefore, the total membership strength of the Association as at December 2019 was 25,369.

At both inductions, thought-provoking papers were presented by erudite speakers.



At the AATWA Induction Ceremony 2019

### AATWA ANNUAL CONFERENCE

The AATWA 24th Annual Conference was held on Thursday, December 19, 2019 at the ICAN Centre, Amuwo Odofin, Lagos. The Conference theme was **"BUILDING A GREATER NIGERIA THROUGH INNOVATION, TECHNOLOGY AND ENTREPRENEURSHIP"**.



The resource person, Mr. James O. EMADOYE, MBA, FCA, MD/CEO, BSSL Technologies Limited presented a paper on the topic, **“DISRUPTIVE INNOVATIONS: CHALLENGES & OPPORTUNITIES FOR ACCOUNTING TECHNICIANS”** during a session chaired by the Institute’s Honorary Treasurer, Chief Oyemolu Olugbenga Akinsulire, FCA. A total of 1,425 members attended the Conference.

## AATWA ANNUAL GENERAL MEETING

The Annual General Meeting of the Association was held on Thursday, December 19, 2019 at the ICAN Centre, Plot 12, Kofo Kasumu Street, Amuwo Odofin, Lagos. The meeting was held before the commencement of the Annual Conference where 1,425 members were in attendance.

Five (5) members of the Executive Committee retired in accordance with rule 12 of the Constitution and Bye Laws of the Association. All the five vacancies created were filled through an election process in line with rule 10 of the Association’s Constitution and Bye Laws. Details of the results are contained in the minutes of the 2019 Annual General Meeting of the Association.

## MEMBERS’ PROFILE UPDATE

As part of the Institute’s efforts to regularise its data base and serve its members better, a new members’ portal has been created. This page ([www.icanportal.org/members](http://www.icanportal.org/members)) is user friendly and enables members to update their profile seamlessly, register on line for Fellowship, confirm financial status and make payments, etc.

## DELISTING AND SUSPENSION OF MEMBERS WITH OUTSTANDING SUBSCRIPTION

Due to increasing outstanding subscriptions owed the Institute, the Institute delisted from its records members owing subscriptions for more than three (3) years, while those with unsettled subscriptions from four (4) months up to three (3) years were suspended, effective January 1, 2020.

This is sequel to Council’s decisions on the above after the expiration of the December 31, 2019 deadline given to defaulting members to reconcile and make good their financial status.

The procedure for payment of outstanding debt, conditions for re-admission and lifting of suspension are available on the Institute’s website [www.icanig.org](http://www.icanig.org)

## ACCOUNTING TECHNICIANS SCHEME WEST AFRICA (ATSWA)

The ATSWA Examinations took place in March and September 2019 with 5,237 and 5,337 candidates, respectively. The Examinations were conducted in Thirty Eight (38) Centres across the Country, and Four other West African participating Professional Accountancy Organisations under the auspices of Accountancy Bodies in West Africa (ABWA). The Examination was peacefully conducted without an infraction. The breakdown of the candidates for both examinations is stated below: -

Examinations Levels	March 2019
PART I	2,566
PART II	1,461
PART III	1,210
<b>TOTAL</b>	<b>5,237</b>

Examinations Levels	September 2019
PART I	2,395
PART II	1,847
PART III	1,095
<b>TOTAL</b>	<b>5,337</b>



# REPORTS OF COUNCIL COMMITTEES

## MARCH 2019 DIET MERIT PRIZES

### PART I

Name	Examination No.	Registration No.	Award
OYEYEMI OLAJUMOKE WURAOLA	ATS/20191/101193/A	AT/120614	1st
AGBOOLA ESTHER DAMILOLA	ATS/20191/101099/A	AT/119247	2nd
DASHE FATIMA ANDAT	ATS/20191/101990/A	AT/118724	3rd

### PART II

Name	Examination No.	Registration No.	Award
GIWA OLUWASANMI MICHEAL	ATS/20191/200725/A	AT/117972	1st
OYERINDE HIKMAT ENIOLA	ATS/20191/201246A	AT/117596	2nd
ADEKUNLE TESLIM OLUWASEGUN	ATS/20191/200915/A	AT/117354	3rd

### PART III

Name	Examination No.	Registration No.	Award
ATANRANSHE OLUWASEYI GIDEON	ATS/20191/300213/A	AT/115662	1st
IBIGBAMI ZAINAB OLUYEMI	ATS/20191/300674/A	AT/114618	2nd
EMIDA OLAMIDE IDRIS	ATS/20191/300549/A	AT/118844	3rd

## SUBJECT PRIZES

Level	Subject	Prize	Winner
Part I	Basic Accounting Processes & Systems	Chief (Dr) R. U Uche's Prize	ATS/20191/100548/A AT/119569 OPARINDE DAVID IYANUOLUWA
	Economics	Mrs. I.M. Osiyemi's Prize	ATS/20191/101386/A AT/120368 OLOGURE EDEN EBUNOLUWA
	Business Law	Otunba Abdul Lateef Owoyemi's Prize	ATS/20191/101099/A AT/119247 AGBOOLA ESTHER DAMILOLA
	Communication Skills	Chief C. F. G. Akinwolemiwa's Prize	ATS/20191/101110/A AT/118888 AKINLOSOTU EWAOLUWA ESTHER



# REPORTS OF COUNCIL COMMITTEES

Level	Subject	Prize	Winner
Part II	Principles and Practice of Financial Accounting	Major General. S. A. Owuama's Prize	ATS/20191/200206/A AT/117811 AFOLABI OLAKUNLE FELIX
	Public Sector Accounting	F. B. Cardoso's Prize	ATS/20191/200915/A AT/117354 ADEKUNLE TESLIM OLUWASEGUN
	Quantitative Analysis	F. B. Cardoso's Prize	ATS/20191/201246/A AT/117596 OYERINDE HIKMAT ENIOLA
	Information Technology	Otunba Ayora (Dr.) Bola-Olubi's Prize	ATS/20191/200725/A AT/117972 GIWA OLUWASANMI MICHEAL

Level	Subject	Prize	Winner
Part III	Principles of Auditing	Alhaji I. O. Sulaimon's Prize	ATS/20191/300213/A AT/115662 ATANRANSHE OLUWASEYI GIDEON  ATS/20191/300808/A AT/119094 AJAYEOBA ADEOLA REBECCA
	Cost Accounting	U. S. Nwankwo's Prize	ATS/20191/300213/A AT/115662 ATANRANSHE OLUWASEYI GIDEON
	Preparing Tax Computation & Returns	D.B.O. Ogutuga's Prize	ATS/20191/300213/A AT/115662 ATANRANSHE OLUWASEYI GIDEON  ATS/20191/300549/A AT/118844 EMIDA OLAMIDE IDRIS
	Management	Chief F. K. Bajomo's Prize	ATS/20191/300549/A AT/118844 EMIDA OLAMIDE IDRIS



# REPORTS OF COUNCIL COMMITTEES

Level	Subject	Prize	Winner
Part II	Principles and Practice of Financial Accounting	Major General. S. A. Owuama's Prize	ATS/20191/200206/A AT/117811 AFOLABI OLAKUNLE FELIX
	Public Sector Accounting	F. B. Cardoso's Prize	ATS/20191/200915/A AT/117354 ADEKUNLE TESLIM OLUWASEGUN
	Quantitative Analysis	F. B. Cardoso's Prize	ATS/20191/201246/A AT/117596 OYERINDE HIKMAT ENIOLA
	Information Technology	Otunba Ayora (Dr.) Bola-Olubi's Prize	ATS/20191/200725/A AT/117972 GIWA OLUWASANMI MICHEAL

Level	Subject	Prize	Winner
Part III	Principles of Auditing	Alhaji I. O. Sulaimon's Prize	ATS/20191/300213/A AT/115662 ATANRANSHE OLUWASEYI GIDEON  ATS/20191/300808/A AT/119094 AJAYEOBA ADEOLA REBECCA
	Cost Accounting	U. S. Nwankwo's Prize	ATS/20191/300213/A AT/115662 ATANRANSHE OLUWASEYI GIDEON
	Preparing Tax Computation & Returns	D.B.O. Ogutuga's Prize	ATS/20191/300213/A AT/115662 ATANRANSHE OLUWASEYI GIDEON  ATS/20191/300549/A AT/118844 EMIDA OLAMIDE IDRIS
	Management	Chief F. K. Bajomo's Prize	ATS/20191/300549/A AT/118844 EMIDA OLAMIDE IDRIS

## SPECIAL PRIZE

Name	Examination No.	Registration No.
IBIGBAMI ZAINAB OLUYEMI	ATS/20191/300674/A	AT/114618



**THE INSTITUTE OF CHARTERED ACCOUNTANTS OF NIGERIA**

(Established by the Act of Parliament No. 15 of 1965)

**2019 Annual Report and Financial Statements**



# REPORTS OF COUNCIL COMMITTEES

## SILVER SCHOLARSHIP PRIZE FOR PROFESSIONAL EXAMINATIONS OF THE INSTITUTE FOR BEST QUALIFYING CANDIDATES IN A DIET.

Name	Examination No.	Registration No.
ATANRANSHE OLUWASEYI GIDEON	ATS/20191/300213/A	AT/115662

## SEPTEMBER 2019 DIET MERIT PRIZES

### PART I

Name	Examination No.	Registration No.	Award
ADEMUYIWA MICHAEL OLUWASEGUN	ATS/20192/101118/A	AT/122548	1st
AWODIRAN PEACE OLUWADAMILOLA	ATS/20192/101154/A	AT/122545	2nd
OBIJOLE FAVOUR TOLUPOE	ATS/20192/101479/A	AT/121561	3rd

### PART II

Name	Examination No.	Registration No.	Award
TUNWASE AYOMIDE ODUNAYO	ATS/20192/200511/A	AT/119639	1st
DASHE FATIMA ANDAT	ATS/20192/201533/A	AT/118724	2nd
OLUWAYALE FAVOUR AYOMIDE	ATS/20192/201257/A	AT/119652	3rd

### PART III

Name	Examination No.	Registration No.	Award
ADEBAYO YUSUFF AKANNI	ATS/20192/300759/A	AT/117344	1st
ISRAEL REBECCA OLAMIDE	ATS/20192/300224/A	AT/117477	2nd
OMOLAJA IBUKUN ELIJAH	ATS/20192/300288/A	AT/117071	3rd

## SUBJECT PRIZES

Level	Subject	Prize	Winner
Part I	Principles and Practice of Financial Accounting	Chief (Dr) R. U Uche's Prize	ATS/20192/101479/A AT/121561 OBIJOLE FAVOUR TOLUPOE
	Economics	Mrs. I.M. Osiyemi's Prize	ATS/20192/100513/A AT/122237 AKIDI JUDITH NNEOMA ATS/20192/100550/A AT/122093 ENORENSE EYAGBON CASSANDRA



# REPORTS OF COUNCIL COMMITTEES

Part I	Business Law	Otunba Abdul Lateef Owoyemi's Prize	ATS/20192/101118/A AT/122548 ADEMUYIWA MICHAEL OLUWASEGUN  ATS/20192/101967/A AT/121140 ODAMA DESTINY ULIMUSIYEKEMI
	Economics	Mrs. I.M. Osiyemi's Prize	ATS/20192/100513/A AT/122237  AKIDI JUDITH NNEOMA ATS/20192/100550/A  AT/122093 ENORENSE EYAGBON CASSANDRA
	Communication Skills	Chief C. F. G. Akinwolemiwa's Prize	N.A

Level	Subject	Prize	Winner
Part II	Principles and Practice of Financial Accounting	Major General. S. A. Owuama's Prize	ATS/20192/200387/A AT/120429 LAWAL OLANREWAJU IBRAHIM
	Public Sector Accounting	F. B. Cardoso's Prize	ATS/20192/200903/A AT/119670 SOLADOYE ANUOLUWAPO
	Quantitative Analysis	Ayo Oni's Prize	ATS/20192/200511/A AT/119639 TUNWASE AYOMIDE ODUNAYO
	Information Technology	Otunba Ayora (Dr.) Bola-Olubi's Prize	ATS/20192/200940/A AT/119247 AGBOOLA ESTHER DAMILOLA

Level	Subject	Prize	Winner
Part III	Principles of Auditing	Alhaji I. O. Sulaimon's Prize	ATS/20192/300162/A AT/121110 ANUKU EMMANUEL TIMILEHIN
	Cost Accounting	U. S. Nwankwo's Prize	ATS/20192/300818/A AT/117599 OYETOLA OYEWUMI ADEDAMOLA





# REPORTS OF COUNCIL COMMITTEES

Part III	Preparing Tax Computation & Returns	D.B.O. Ogutuga's Prize	ATS/20192/300716/A AT/116627 YAKUBU MARY OLUWABUSAYO
	Management	Chief F. K. Bajomo's Prize	ATS/20192/300610/A AT/117049 ODUSANWO OLUWAFUNMILAYO OPEYEMI

## SPECIAL PRIZES

### F. I Ogunjuboun's Prize for the best qualifying female candidate for the diet.

Name	Examination No.	Registration No.
ISRAEL REBECCA OLAMIDE	ATS/20192/300224/A	AT/117477

### Princess A.A. Adeniran's Prize for the best qualifying female candidate for the year.

Name	Examination No.	Registration No.
IBIGBAMI OLUYEMI ZAINAB	ATS/20191/300674/A	AT/114618

### Alhaja (Mrs) Shakirat Adepeju Babatunde's Prize for the best qualifying male candidate for the year.

Name	Examination No.	Registration No.
ATANRANSHE GIDEON OLUWASEYI	ATS/20191/300213/A	AT/115662

## SILVER SCHOLARSHIP FOR PROFESSIONAL EXAMINATIONS OF THE INSTITUTE FOR BEST QUALIFYING CANDIDATE IN A DIET.

Name	Examination No.	Registration No.
ADEBAYO YUSUFF AKANNI	ATS/20192/300759/A	AT/117344



ICAN President presenting an award to a prize winner



Cross section of Members at AATWA Conference



## INFORMATION TECHNOLOGY COMMITTEE REPORT

The activities of the Information Technology committee in the presidential year 2019/2020 focused on the under listed

### DEPLOYMENT OF ENTERPRISE RESOURCE PLANNING (ERP) SOFTWARE

The ERP project based on Microsoft Dynamics Navision and CRM, achieved full integrated computerisation of the under listed sections of the Institute's operations:

- a. Financial Services (G/L, A/C Receivables, Payables, Inventory, Budget, Non-Recurrent Asset, etc.)
- b. Human Resources/Payroll (Payroll, Recruitment, Leave, Training, Performance, Query and Exit Management)
- c. Studentship Management (Registration, Exemption and Accreditation exercise for both ATS and Professional)
- d. Membership Management (Induction, Fellowship, Attachment, Licence, Firms Registration, Conferences etc.)
- e. Travel Management
- f. Faculties Management
- g. Procurement
- h. Maintenance
- i. Members' Education and Training management
- j. IT Case Management

### ICAN WEBSITE

A new website with an enhanced look and feel was developed and deployed.

### COLLABORATION SOLUTION

The deployment of Teleconferencing/e-meeting solution across the three office locations in Victoria Island, Ebute-Metta and Abuja remotely had since been completed and had saved the institute huge cost associated with physical meetings.

### MOBILE APPLICATION

A robust Mobile application was deployed for the 49th Annual Accountants' Conference held in 2019. Some of the features of the application are: Conference details at a glance, President's welcome speech, Support desk, Questions and Answers Management, Attendance Capture, Electronic Attendance Certificate, etc.

### COLOCATION OF SERVERS

Server colocation is the process of deploying and hosting an organization-owned server within a managed service facility/environment. It enables an organization to deploy their servers within an existing data centre or IT facility. This was implemented in January 2020 alongside the virtual firewall for security purposes thereby enabling 24/7 availability of the Institute Enterprise Resource Planning (ERP) applications.

### BACKUP AUTOMATION

A system backup is the process of backing up the operating system, files and system-specific useful /essential data. Backup is a process in which the state, files and data of a computer system are duplicated to be used as a backup or data substitute when the primary system data is corrupted, deleted or lost. Backup automation has also been implemented with the server collocation project.

### MEMBERSHIP PORTAL UPDATE AND PAYMENT INTEGRATION

An enhanced payment integration was implemented on the members' portal to ensure that payment made are updated on members' financial records within 6-10 minutes after payment.

### BULK SMS FACILITY

A cost-effective SMS facility was deployed thereby enhancing the communication between the secretariat and its stakeholders e.g. Members and Students. It also enhanced the visibility and marketing of the Institute's services/products.



## MEMBERS' EDUCATION AND TRAINING COMMITTEE REPORT

### 1. Review of 2019 activities

#### a. Change in the programmes nomenclature

Up till December 2019 from inception, ICAN adopted a customised acronym of Mandatory Continuing Professional Education (MCPE) as an umbrella name for the Institute's training programmes. However, in line with IFAC requirement and the need for realignment with global best practices, the Committee at its retreat in September 2019 amended the names of various training offerings as follows:

- Mandatory Continuing Professional Development (MCPD)**
- Continuing Development Programme (CDP)**
- Executive Mandatory Continuing Professional Development (EMCPD)**

#### b. Summary of slots and attendance at various programmes

The training offerings in 2019 recorded significant leap when compared to the previous year. This was due to the macro-economic stability and improvement in some sectors of the economy. The ICAN/ ICAEW Membership Pathway also imparted positively on the 2019 performance. Below is the summary.

Programme	Slots	Attendance
MCPD and Conferences	41	9,167
CPD	4	257
EMCPD	4	256
In-house	45	2,145
Accreditation/others		28,210
MCPD and Conferences	41	9,167
<b>Total</b>	<b>94</b>	<b>40,023</b>

### c. Trainings attendance for 5 consecutive years

		Programme Attendance				
S/N		2015	2016	2017	2018	2019
1.	MCPD	5,206	4,760	4,328	4652	5092
2.	EMCPD	41	122	185	190	256
3.	CDP	184	115	183	307	405
4.	ECPE	44	17	-	-	-
5.	In-house	1,581	1,882	1,734	1,970	2,144
6.	Topic Specific	195	248	-	-	-
	<b>TOTAL</b>	<b>7,251</b>	<b>7,144</b>	<b>6,430</b>	<b>7,119</b>	<b>7,737</b>

### 2. In-house programmes' clientele in 2019

Below are the In-house clientele for year 2019

S/N	Organisations	S/N	Organisations
1.	ADDAX Petroleum	21.	Shell Nigeria Exploration & Production Company Limited (SNEPCO)
2.	Airtel Nigeria	22.	Stanbic IBTC Bank Plc
3.	Asset Management Corporation of Nigeria (AMCON)	23.	Sterling Bank Plc
4.	Animal Care Services Konsults (Nig) Ltd	24.	Zenith Bank Plc
5.	Chevron Nigeria Limited.	25.	Polaris Bank Limited
6.	Dangote Group	26.	Vodacom Limited
7.	Deloitte & Touche	27.	Ernst & Young
8.	Emerging Market Telecommunications Service (ETISALAT)	28.	Bagco Nigeria
9.	General Electric	29.	Standard Chartered Bank
10.	IHS Africa		
11.	KPMG Professional Services		
12.	Lafarge Cement Plc		
13.	MTN Communications Limited		
14.	Nigerian Bottling Company Plc		
15.	Nigerian Breweries Plc		
16.	Nigerian Deposit Insurance Corporation (NDIC)		
17.	PriceWaterhouseCoopers		
18.	PZ Cussons Nigeria Plc		
19.	SAIPEM Contracting Nigeria Ltd		
20.	Seven-up Bottling Company		



## 3. Appeal to Employers

The MCPD courses are designed to significantly add value to members' professional effectiveness and performance in the workplace. Employers are therefore encouraged to graciously sponsor and release their chartered accountants for these value laden and cost effective MCPD programmes.

## 4. Feedback

Communication is a two-way flow of information designed to elicit and arouse a desired reaction from recipients. Therefore, in the course of packaging the programmes, the Institute believes that it will enhance the professional competence of its members; the Secretariat expects constructive reactions and suggestions that will facilitate and enrich the appraisal process.

## 5. Benefits of Mandatory Continuing Professional Development (MCPD)

Some of the benefits of MCPD are as follows:

- Provide the knowledge, skills, values, ethics and attributes required for life-long learning with focus on outcomes.
- Help participants identify areas of development which are relevant to and support their careers
- Provide effective skill renewal through continuous formal training
- Provide the avenue for continuous update of technical and soft skills of Chartered Accountants
- Enhance the productivity, efficiency and social responsiveness of participants
- Re-assure employers and the public that members keep themselves abreast of current developments and employ an ethical approach to their duties
- Facilitate access, monitor and ensure relevant, measurable and verifiable compulsory professional development activities
- Provide participants with an accessible range of services that will help them maintain and develop their expertise
- Provide members with veritable networking opportunities

- Provide members opportunity to comply with IFAC SMO 2/IES 7 on Continuing Professional Development to retain status as Chartered Accountants

In order to sustain the above benefits, each course has been designed to generate in-depth, highly interactive and practical sessions to cater for members' professional needs.

## 6. MCPD credit hour requirements/ Compliance and Sanctions

In order to maintain professional competence and ensure the exercise of due care at all times, Chartered Accountants are required to fulfill the requirements of and participate in MCPD learning activities that are relevant to their current and future work and professional responsibilities.

Members of the Institute are required to obtain a minimum of thirty (30) verifiable credit hours within a calendar year and 90 credit hours over a period of three (3) consecutive years. This could be obtained solely from structured seminars or a combination of structured and unstructured seminars.

The structured seminars or active learning involves interactive and participatory-based study such as; Mandatory Continuing Professional Development (MCPD), Continuing Development Programme (CDP), Executive Mandatory Continuing Professional Development (EMCPD), the Annual Accountants' Conference, World Congress of Accountants, Academic Conference (ACAF), PAFA Congress, Zonal Accountants' Conference and Accountancy Bodies in West Africa (ABWA) Congress.

The unstructured programmes include other activities of the Institute such as meetings, Annual Dinner, Annual General Meeting, symposia, Council and Committee meetings, Examination exercises (invigilation, marking, extraction and pool setting), Retreats, Publications in the Institute's journal, District Societies meetings, facilitation at MCPD seminars etc.



Please note that the Council of the Institute has approved sanctions for any defaulting member and withdrawal of certain rights and privileges. Defaulting members will be denied the following privileges henceforth:

- Restriction from sponsoring students for registration, exemptions, examinations and registration for induction into membership as well as sponsorship of graduate members for the Institute's membership
- Elevation to Fellowship of the Institute
- Obtaining and renewal of Practising Licence
- Appointment into any of the Committees of the Institute.
- Voting at Council elections
- Contesting Council Elections, and
- Occupying any executive position in a District Society

## 7. Guidelines for Accreditation of Non-ICAN Seminars/Workshops

The Institute's policy on the assessment of seminars/workshops organised by other organizations, District Societies' etc. requires the submission of the following:

- Payment of accreditation fee as applicable per course by organisations and individuals
- Course programme, reflecting the duration of each paper
- Seminar papers should be forwarded three weeks before date of seminar for evaluation
- Evidence of original attendance of members through attendance sheets signed by participants
- Profile of the resource persons
- Application for monitoring of the programme before the seminar
- Theme of the programme /course outline/topics
- Target audience and expected number of participants
- Date and venue of the programme
- Name of course Coordinator

Members of the Institute's Monitoring Team shall

be present at seminars. For any programme out Lagos, the organizer will provide transport, accommodation and feeding for the monitor. The above information must reach the Institute before the Seminar/Courses are held.

All requests for local and international accreditation must comply with the above criteria for the purpose of assessment before credit hours can be allocated to such seminars or workshops.



Members of the Nigerian Integrated Report Committee after inauguration

## ICAN MEMBERS' BENEVOLENT & EDUCATIONAL TRUST FUND

ICAN Members Benevolent & Educational Trust Fund was established by the Council of the Institute in 1998 with the following objectives:

- To promote and invest in Research and Educational development.
- To give financial assistance to needy members.
- To support families and dependants of deceased members.

## CONDITIONS FOR ELIGIBILITY

The Management Committee evolved the eligibility conditions listed below for an Applicant to qualify for the grant. The Applicant:

- Must be a financial member of the Institute;
- Must have paid his/her annual subscription to at least the preceding year before his/her incapacitation;



- The mishap occasioning the request must not be from crime or negligence like arson, murder, manslaughter, use of hard drugs, etc;
- There must be proof that the member cannot afford his/her immediate needs; and
- Must route his/her request through his/her District Society.

## CURRENT BENEFITS

The minimum amount of benefit to applicants shall be a sum of Two Hundred and Fifty Thousand Naira (N250,000.00); while the maximum shall be a sum of Two Million Naira (N2,000,000.00).

## Procedures for Disbursement of Fund to Applicants:

- An application received from a prospective beneficiary must state the estimate of his/her needs. Such an application must be endorsed by the Chairman of the District Society of the Applicant;
- For an application to be validly considered by the Management Board, the application will be considered and treated at any meeting where at least (2) two members of the Board are present;
- The Secretary shall be responsible for processing and issuance of cheque for the amount approved;
- All cheques shall be crossed and made payable only to the account of the payee or made payable to the beneficiary through his/her District Society unless otherwise decided by the Board and;
- All failed/rejected applicants will be informed of the reason for failure/rejection.

## ACTIVITIES OF THE FUND'S MANAGEMENT BOARD IN YEAR 2019

The major activities of the Management Board were fund raising and management of the Fund's investments. Funds so generated were invested and the incomes from the investments were disbursed to members in need and families that were distraught. Since inception, the fund had assisted members and families of deceased members.

## OTHER OBJECTIVES OF THE FUND

In pursuant of the fund's third objective which is: "To Promote and Invest in Research and Educational Development"; the Management Board of the ICAN Members' Benevolent & Educational Trust Fund approved the sum of N250, 000.00 as cash prizes for the two PhD Colloquium award winners at the 5th Annual International Academic Conference held on April 15, 2019 at Kaduna State University, Kaduna by the Technical & Education Directorate of the Institute.

## SOURCES OF INCOME

The main source of funding the Trust is through:

- Annual subvention from the Institute – by way of 3% of the Gross income from the Annual Accountants' Conference.
- Income from investment of the Funds' Seed.
- Donations from Members and other interested individuals.

In a bid to attract donations to the fund, the Management Board of the ICAN Members Benevolent & Educational Trust Fund wrote letters of appeal for financial assistance towards the scheme to individuals and organizations. Responses in this regard have not been encouraging.

## ASSISTANCE GRANTED TO MEMBERS IN 2019

In 2019, Eleven (11) applications were received, eight (8) were granted as tabulated below:

S/N	Beneficiaries' District /Location	Purpose	Amount Granted
1	Ikorodu & District Society	Financial assistance	250,000.00
2	Amuwo & District Society	Ailment	250,000.00
3	Akure & District Society	Medical support	1,500,000.00
4	Lagos & District Society	Ailment	1,500,000.00
5	Ikeja & District Society	Educational support for two children of a deceased member (Scholarship)	575,000.00
6	Ibadan & District Society	Ailment	600,200.00
7	Aba & District Society	Educational support for the Son of a deceased members (Scholarship)	286,300.00
8	Onitsha & District Society	Ailment	500,000.00
		<b>TOTAL</b>	<b>5,461,500.00</b>



We hereby appeal to members to endeavour to continue to assist in creating awareness about the purpose and benefits of ICAN Members' Benevolent & Educational Trust Fund among the members of their respective district societies. This is important so as to aid the Fund's Management Board in its repeated appeal to members for donations. It will also facilitate the desire to touch more lives and make its assistance more effective.

We hereby appeal to members to endeavour to continue to assist in creating awareness about the purpose and benefits of ICAN Members' Benevolent & Educational Trust Fund among the members of their respective district societies. This is important so as to aid the Fund's Management Board in its repeated appeal to members for donations. It will also facilitate the desire to touch more lives and make its assistance more effective.

We seize this opportunity to inform indigent members in need of financial assistance not to hesitate to approach the Fund's Management Board through the Chairmen of their respective District Societies for the purposes narrated above.



ICAN President and Members of Council at the House of Representatives.

## TECHNICAL, RESEARCH AND PUBLIC POLICY (TRPPC) COMMITTEE

This Committee oversees the research and technical activities of the Institute. As the Think Tank of ICAN, it provides a platform for ICAN's relationship with the industry, academia, government, regional and global accounting bodies. It coordinates the Institute's contribution to the expansion of body of knowledge in accounting, finance, economics and other related fields. The Committee functions through its various sub-committees including:

### Ph.D Research Grant

In order to expand the frontiers of knowledge in accounting, the Institute established an accounting research fund for its financial members undergoing Ph.D. in accounting from recognized institutions in Nigeria and abroad. Ten (10) Ph.D. grants can be awarded in a Presidential Year. During the year, a total of 16 applications were considered, nine (9) qualified and were awarded the grant.

### Commissioned Research

As part of initiatives towards continuing its public interest mandate through research into accounting, finance and related areas, the Institute set up a Commissioned Research grant. During the Presidential Year, the grant was increased from a maximum of N1,000,000:00 (One Million Naira) to N2,500,000:00. (Two Million, Five Hundred Thousand Naira).

The Institute advertised an Expression of Interest for a Commissioned Research in both the print and social media. Proposals were received and appraised. The grant has so far been awarded to the best proposal and the researcher has commenced work based on the agreed terms and conditions.

### Academic Conference

The Institute's Annual International Academic Conference on Accounting and Finance is aimed at creating a common platform for academics, industry practitioners, professionals, business executives



and policy makers to share knowledge and ideas on contemporary issues. It is also intended to build the necessary mentor-mentee relationship through Ph.D colloquium and provides a publication channel for well-researched articles.

The 6th edition of the Conference earlier planned to be hosted in collaboration with the University of Ilorin was postponed due to the COVID-19 Pandemic.

## **Exposure Draft and Public Hearings**

The TRPPC coordinates the Institute's reviews and commentaries on local and International Exposure Drafts issued by the IFAC, IASB, IPSASB, IAASB, FRC, IAESB, etc. In the course of the year, the Committee responded to over twenty (20) Exposure Drafts from the various standard setters.

The Committee also developed papers on behalf of the Institute at the invitation of the National Assembly to attend two Public Hearings on the 2020 Appropriation Bill and the 2019 Finance Bill. The Institute's positions were presented at the Public Hearings and submitted to the authorities of the Assembly.

## **Technical Bulletin**

The Institute's quarterly Technical Bulletin is aimed at addressing technical issues that members may face as they provide professional and advisory services to their clients. The four editions of the Bulletin were produced and circulated to members through their e-mails. All the editions of the Bulletin are also hosted on the Institute's website. Some of the topics covered during the Presidential Year in the Technical Bulletins include Libor Transition: How Prepared Are You?; 2019 IFRIC Updates: What is your Implementation Plan? and; The 2018 National Code of Corporate Governance: A Pocket Guide.

## **Economic Discourse/Budget Symposium**

The Committee organised a well-attended

Economic Discourse on December 9, 2020. The Discourse focused on recent developments in the economy including the Finance Act 2019 and the African Continental Free Trade Agreement (AFCTA).

## **Library**

The Library acquired 320 professional books and they were distributed to all the branch libraries including the Institute's Library in Abuja. About 60 copies of the newly published ICAN study texts for professional examination were also distributed to the students' libraries in Ebute Metta and Abuja Office.

## **Professorial Inaugural Lecture**

In order to encourage its members in the academia to aspire to the zenith of their profession, ICAN instituted the Inaugural Lecture Grant for qualified members who deliver their Inaugural Lecture. The TRPPC facilitated the release of the Grant to two members of the Institute in the Presidential Year.

## **STRATEGY, ADVOCACY AND PERFORMANCE TRACKING COMMITTEE**

The Strategy, Advocacy and Performance Tracking Committee of the Institute is saddled with the responsibility of reviewing and formulating strategies for the long-term development of the Institute and make recommendations to Council. The Committee is also in charge of studying the ICAN Act regarding regulating the Accountancy Profession and formulate modalities for accomplishing, sustaining and strengthening its oversight/regulatory functions as provided in the Act.

The Committee developed a Strategic-Intent Document 2017 – 2022 Financial Years. The Document is currently being considered by Council for approval and implementation.

## **ICAN ACCOUNTABILITY INDEX (ICAN-AI) STEERING COMMITTEE**

In response to the need to promote an efficient Public Financial Management (PFM) system in Nigeria, the Institute launched a governance



performance assessment tool in October 2017 known as ICAN Accountability Index (ICAN-AI). The Steering Committee got the approval of Council and released the 2019 Report of the Index which covers 2018 Fiscal Year. The report was given wide publicity among the key stakeholders. Work is ongoing on the 2nd edition.

## MUTUAL COOPERATION AGREEMENT WITH TERTIARY INSTITUTIONS

The Institute, in its continued quest to deepen accounting education in the country, established the Mutual Cooperation Agreement with Tertiary Institutions (MCATI). The MCATI provides a window of opportunity for graduates of institutions accredited under the scheme to enjoy more exemptions from the ICAN's professional examinations. Specifically, accounting graduates under the programme would write only the final stage (five papers) of the three levels in the professional examinations.

In the period under review, the Committee accredited five (5) institutions while eight (8) were monitored. These are:

### Accredited Institutions:

1. Benson Idahosa University
2. Igbinedion University
3. Bowen University
4. Al-Hikmah University
5. Federal Polytechnic, Ilaro

### Monitored Institutions:

1. Osun State University, Osogbo, Osun State
2. Benson Idahosa University, Benin
3. Bowen University, Iwo
4. Igbinedion University, Okada, Edo State
5. Federal Polytechnic Ilaro, Ogun State
6. Al-Hikmah University, Ilorin
7. Joseph Ayo Babalola University, Ikeji Arakeji, Osun State
8. Pan Atlantic University, Lekki, Lagos State



Participants at the Faculties induction

## FACULTIES

The ICAN Governing Council created the seven faculties in order to expand the frontiers of knowledge and support members on their peculiar professional duties and responsibilities such that a culture of best practice is enhanced in each specialist area of the accountancy profession.

One key objective for creating Faculties is to help the Institute regulate the practice of special branches of accountancy in which some members operate as well as open more channels of communication between the Institute and its members that perform various specialized functions in the economy.

To members, the Faculties serve as repository of technical resources from which members can draw as they grapple with the challenges of their professional assignments. To firms, it helps to complement the technical information available to the firms of chartered accountants and other corporate members.

Above all, the Faculties continuously strive to educate members on their peculiar statutory duties and responsibilities such that a mores of best practice is evolved in each specialized area of accountancy practice. These functions are being carried out on regular basis through various Certification and training programmes, conferences, seminars, and workshops



for members in their different areas of professional interest. During the period under review, the Faculties undertook the following activities:

## AUDIT, INVESTIGATIONS AND FORENSIC ACCOUNTING FACULTY

The Audit, Investigations and Forensic Accounting Faculty is the Institute's platform for training and certifying members of the Institute in Forensic Accounting. This Faculty not only facilitates networking amongst chartered accountants in this sector such that their unique needs can be identified, collated and satisfied, it also empowers members professionally to conduct forensic investigation on financial and economic matters and serve as expert witnesses in the Court of Law. The programme has produced a number of Certified Forensic Accountants of Nigeria (CFANs) who have been adding value in their various areas of endeavours in the last few years. Certification training sessions in Forensic Accounting (Modules 1-6) were held four (4) times in Lagos, two (2) times in Abuja and once in Port Harcourt. A total of 64 participants attended the events. A seminar for members of the Faculty was also held in Lagos with 35 members in attendance. A Moot Court session was held in Lagos on Tuesday, December 3, 2019 with a total number of 27 candidates in attendance. The session exposed participants to simulated court scenarios with a view to grooming them towards becoming expert witnesses. The Qualifying examination was held on December 4, 2019 in Lagos and Abuja. As at the 11th induction ceremony of March 4, 2019, a cumulative total of 666 members have been inducted as Certified Forensic Accountants of Nigeria (CFAN) through the faculty.

## CONSULTANCY AND INFORMATION TECHNOLOGY FACULTY

The faculty held the **1ST ACCOUNTANTS' TECHNOLOGY CONFERENCE (ACCOUNTEX) FOR WEST AFRICA** from April 29 – 30, 2019 at the Oriental Hotel, Lekki Road, Victoria Island, Lagos. The theme of the conference was **"Disruptive**

**Technologies: The Game Changer for Businesses.**

The event was well attended with a total of 291 participants.

A seminar on **"Using Technology to Enhance Enterprise Risk Management: Case Studies for Accountants & Auditors"** and Exposition on Recent Cyber Trends for Self Awareness and Defence was held in Abuja.

## CORPORATE FINANCE MANAGEMENT FACULTY

Membership of the Corporate Finance Faculty gives members access to the latest developments on emerging issues in corporate finance world, best practice guidance and professional expertise to enhance their work. In furtherance of the Faculty's mandate to train and certify its members for proficiency and authority in specialized skill, Certification training sessions in Corporate Finance Management were held three (3) times in Lagos where a total of 24 participants were in attendance.

A seminar on Forum of Members with the theme **"African Continental Free Trade Area (AfCFTA) Agreement - The Hidden Business Opportunities and Role of the Professional Accountant"** was also held in Lagos with 55 members in attendance. Three (3) papers were delivered by experts on the subject matter under the Chairmanship of Past President Emmanuel Ijewere, FCA, Chairman, Body of Past Presidents. They were: **AfCFTA: Leveraging on Financial Institutions (IFAD, ADB, CBN, BOI e.t.c.) Private Sector Initiatives for Financial and Technical Support** by Mr Muda Yusuf, Director General, Lagos Chamber of Commerce and Industry; **AfCFTA: Digital Trade Platforms, Business Opportunities and Caution Against Cybercrime** by Mr. Wale Micaiah, Head, Risk Management, Interswitch Limited ; and **"AfCFTA: Overview, Trade and Investment Opportunities"** by Mr. Chijioke Odo Global Trade Lead, Deloitte Nigeria. To date, the Faculty has awarded 16 members with Certificate of Proficiency in Corporate Finance.



## FINANCIAL REPORTING FACULTY

The Faculty continued its certification training programme for members and the general public on International Financial Reporting Standards (IFRS). During the year under review, the Faculty trained 78 members on IFRS in Lagos, Abuja, and Port Harcourt. It also conducted examinations in Lagos, Abuja and Port Harcourt for eligible candidates in July 2019 and December 2019 respectively.

A-Day Seminar was held twice in Lagos during the year with a total of 223 Participants in attendance. During the Joint ceremonies of the Faculties, 16 members were awarded with certificates, bringing the number of members awarded with ICAN Certificate of Proficiency in International Financial Reporting Standards (IFRS) till date to **328**.

## INSOLVENCY AND CORPORATE RE-ENGINEERING FACULTY

The Insolvency & Corporate Re-Engineering Faculty was established to help with industry focused information and guidance. The Faculty continued its capacity building and development programmes for members to effectively perform their specialized function in the economy. It conducted its two-part certification training programme for the award of Certified Insolvency Practitioner (CIP) during the year in Lagos and Abuja. A total of 14 members were trained during the year, while 10 members passed the certification examination, bringing the number of ICAN Certified Insolvency Practitioners to **104**.

## PUBLIC FINANCE MANAGEMENT FACULTY

The Faculty continued to sensitize members and key players in the public sector on the adoption of accrual basis International Public Sector Accounting Standards (IPSASs). To this end, Six sessions of a 3-day training programmes on "Accrual basis IPSAS Practical Conversion Masterclass" was organized in major cities in Nigeria - Lagos and Abuja had two runs each, while one was held in Port Harcourt and an In-House

Accrual basis IPSAS Practical Implementation training was held in Nasarawa State University Keffi. A total of 175 members and non-ICAN members participated in these IPSASs trainings.

In addition, as part of its awareness programmes, the faculty organized a forum of members with the main theme: **"Enhancing the Competence of Public Sector Accountants and Auditors in Government Integrated Financial Management Information System (GIFMIS) and Presidential initiative on Continuous Audit implementation (PICA) with the sub themes "Adoption of e-procurement Techniques to Enhance Integrity of Public Procurement Process"** The forum had 32 members in attendance, thus bringing the number of participants recorded for the year under review to **207**.

## TAXATION AND FISCAL POLICY MANAGEMENT FACULTY

Membership of Tax Faculty helps members to be on top of the ever-evolving world of tax with timely material, guidance and support. The Faculty held three (3) seminars in Lagos and one (1) in Abuja during the period.. The theme of the three seminars in Lagos were: **"The Nigerian Environment and Post Election Tax Outlook; Tax Trends, Fiscal Outlook and Citizens Perception of the Tax System and Insight into 2020 Budget and Impending Tax Changes."**

A total of 153 participants were recorded for Lagos, while that of Abuja recorded 50 participants. The seminar on **"Tax Trends, Fiscal Outlook and Citizens Perception of the Tax System"** was repeated due to popular demand.

Another round of seminars was held in Abuja and Port Harcourt with the theme: **"Implications of the 2019 Finance Act and Tax Outlook for 2020."** The sub themes were: **Indirect Tax Implication of the Finance Act; Direct Tax Implication of the Finance Act; and 2020 Tax Outlook & Implication Challenges.**



# REPORTS OF COUNCIL COMMITTEES

## PROFESSIONAL EXAMINATIONS COMMITTEE

### 3 DIETS PROFESSIONAL EXAMINATIONS IN 2020

The Governing Council of the Institute in 2019 approved an additional diet of the Professional Examination as an outcome of the technological reforms introduced into the Institute's examination processes. The new examination diet will hold in MARCH, JULY and NOVEMBER yearly instead of the usual May and November. The examinations will be for all levels: (FOUNDATION, SKILLS AND THE PROFESSIONAL LEVELS.)

A huge investment in technology by the Institute paved the way for the additional diet and gave rise to a drastic reduction in examination processing time. The introduction of an extra diet will give candidates more opportunities to participate in the Institute's examination especially those who need to re-sit any outstanding paper in a particular level so as to progress quickly to the next level.

Following Council approval, the committee commenced preparation to hold the March diet examinations between March 24 and March 26, 2020. The March diet was later postponed due to the Corona Virus pandemic (COVID-19).

### REPORT OF MAY AND NOVEMBER 2019 PROFESSIONAL EXAMINATIONS

The Professional Examinations took place in May and November 2019 with 20,292 (Twenty Thousand Two Hundred and Ninety Two) and 20,374 (Twenty Thousand Three Hundred and Seventy Four) candidates respectively. The Examinations were conducted in Fifty (52) Centres in various parts of Nigeria, one centre each in Cameroon and United Kingdom (UK) peacefully.

### ONSCREEN MARKING SYSTEM

The Institute migrated to onscreen marking system during the central marking exercise as against the manual marking used over the years.

The onscreen marking exercise was a huge success with the resultant improvement in the examination processes which was of great benefit to the Institute and examiners.

The breakdown of the candidates for both examinations is below:

Examinations Level	May 2019
FOUNDATION	2,161
SKILLS	9,585
PROFESSIONAL	8,546
<b>TOTAL</b>	<b>20,292</b>

Examinations Level	November 2019
FOUNDATION	3,444
SKILLS	8,445
PROFESSIONAL	8,485
<b>TOTAL</b>	<b>20,374</b>



At the Akintola Williams Centenary Award Celebration



# REPORTS OF COUNCIL COMMITTEES

## MAY 2019 DIET MERIT PRIZES

### FOUNDATION

Name	Examination No.	Registration No.	Award
ABUH BLESSING ENYO-OJO	20191/100818/F/234	230810	1st
OKUTUE GLORY CHINAZA	20191/101822/F/234	234718	2nd
ILORI TEMITOPE RUTH	20191/101741/F/234	232313	3rd

### SKILLS

Name	Examination No.	Registration No.	Award
ETIKE CHIKODI RITAL	20191/208024/S/123456	223605	1st
AKOFE URUNTOSANWUMI UZEZI	20191/209225/S/1456	235472	2nd
ADEWUSI YEMISI REBECCA	20191/204810/S/1456	232842	2nd
KOLAWOLE ADEKUNLE JOSEPH	20191/204840/S/1456	235902	3rd
ASIPA OLUWASEYE IBUKUN	20191/201662/S/1456	233006	3rd

### PROFESSIONAL

Name	Examination No.	Registration No.	Award
OBADINA ISRAEL IFEOLUWA	20191/301484/P/12345	230491	1st
ADEOYE BASIRAT OLUWADAMILOLA	20191/303045/P/12345	230102	2nd
OLABODE HAFSAT OLAYINKA	20191/304617/P/12345	229620	2nd
ABU JACOB KEHINDE	20191/306947/P/12345	216412	3rd

### SUBJECT PRIZES

Subject	Prize Donor	Winner
<b>FOUNDATION</b>		
Financial Accounting	Late Sir John A. Balogun	20191/101822/F/234 234718 OKUTUE GLORY CHINAZA
Business Law	Late Alhaji I. O. Sulaimon and Princess A. A. Adeniran	20191/100818/F/234 230810 ABUH BLESSING ENYO-OJO
Economics & Business Environment / Business & Finance	M. B. Taiwo J. A. Owoseni	20191/101630/F/2345 234370 ADENIJI OLANREWAJU IBRAHIM
Quantitative Techniques in Business	M. Ayo Oni	20191/100038/F/12345 231306 EHIANETA ALLEN MARVELLOUS





# REPORTS OF COUNCIL COMMITTEES

Management Information	Late Chief E. F. Oke and Late Prof. M. A. Adeyemo	20191/100818/F/234 230810 ABUH BLESSING ENYO-OJO 20191/100101/F/2345 234090 EZIMAH AKOBUNDU EZEHOA
<b>SKILLS</b>		
Taxation	Late Z. O. Ososanya	20191/208024/S/123456 223605 ETIKE CHIKODI RITA
Auditing & Assurance	N. L. Westgarth	20191/208024/S/123456 223605 ETIKE CHIKODI RITA
Bus. Comm. & Research Methodology	M. B. Taiwo J. A. Owoseni	20191/101630/F/2345 234370 ADENIJI OLANREWAJU IBRAHIM
Quantitative Techniques in Business	Sir Ike Nwokolo	N/A
Performance Management	G. J. Burk	20191/204810/S/1456 232842 ADEWUSI YEMISI REBECCA
Financial Reporting	S. B. Baylis-Smith	20191/208380/S/1456 234907 OKEOWO YUSUF ABAYOMI
Management, Governance & Ethics	PriceWaterHouseCoopers (PwC)	20191/204840/S/1456 235902 KOLAWOLE ADEKUNLE JOSEPH
Public Sector Accounting & Finance	Late Balogun J. O. Omidiora	20191/208024/S/123456 223605 ETIKE CHIKODI RITA
<b>PROFESSIONAL</b>		
Corporate Reporting	Arthur Young, Osindero & Moret	20191/301484/P/12345 230491 OBADINA ISRAEL IFEOLUWA
Advanced Audit & Assurance	J. M. T. Morris & KPMG	20191/303045/P/12345 230102 ADEOYE BASIRAT OLUWADAMILOLA
Strategic Financial Management	Late Bola Kuforiji-Olubi Elder M. E. Daniels	20191/304593/P/12345 230623 IBITUNDE PRECIOUS IYANUOLUWA
Advanced Taxation	Akintola Williams & Co. Olushola Adekanola	20191/304617/P/12345 229620 OLABODE HAFSAT OLAYINKA
Case Study	KPMG	20191/304617/P/12345 229620 OLABODE HAFSAT OLAYINKA





# REPORTS OF COUNCIL COMMITTEES

## SPECIAL PRIZE

**SWAN Prize for the best qualifying female candidate for the diet.**

Name	Examination No.	Registration No.
ADEOYE BASIRAT OLUWADAMILOLA	20191/303045/P/12345	230102

**Akintola Williams Delloite and Touche Prize for the best qualifying candidate in a diet.**

Name	Examination No.	Registration No.
OBADINA ISRAEL IFEOLUWA	20191/301484/P/12345	230491

## NOVEMBER 2019 DIET MERIT PRIZES

### FOUNDATION

Name	Examination No.	Registration No.	Award
ADEGBEMILE SIMIOLUWA TAIWO	20192/102840/F/12345	239833	1st
ONUOHA UCHENNA CHARLES	20192/102402/F/1345	239154	2nd
ODUBANJO BABATUNDE AYOKUNLE	20192/103031/F/1345	237761	3rd

### SKILLS

Name	Examination No.	Registration No.	Award
BABS-LAWAL MUBARAK OLUWANISHOLA	20192/207226/S/1345	239879	1st
ATANRANSHE OLUWASEYI GIDEON	20192/207196/S/1345	239658	2nd
MAJOLAGBE AHMED AFOLABI	20192/200214/S/1345	233342	3rd

### PROFESSIONAL

Name	Examination No.	Registration No.	Award
OKEOWO YUSUF ABAYOMI	20192/307649/P/12345	234907	1st
ADEWUSI YEMISI REBECCA	20192/304467/P/12345	232842	2nd
AJANI TAOFEEK ADEBAYO	20192/306328/P/12345	232265	2nd
ABIODUN ADEKUNLE BENJAMIN	20192/307913/P/12345	229681	3rd



# REPORTS OF COUNCIL COMMITTEES

## SUBJECT PRIZES

Subject	Prize Donor	Winner
<b>FOUNDATION</b>		
Taxation	Late Z. O. Ososanya	20192/102840/F/12345 239833 ADEGBEMILE SIMIOLUWA TAIWO
Financial Accounting	Late Sir John A. Balogun	20192/102840/F/12345 239833 ADEGBEMILE SIMIOLUWA TAIWO
Business Law	Late Alhaji I. O. Sulaimon and Princess A. A. Adeniran	20192/101888/F/1345 213231 PETER PRECIOUS OSAYAMEN
Economics & Business Environment / Business & Finance	M. B. Taiwo J. A. Owoseni	20192/102840/F/12345 239833 ADEGBEMILE SIMIOLUWA TAIWO
Quantitative Techniques in Business	M. Ayo Oni	N/A
Management Information	Late Chief E. F. Oke and Late Prof. M. A. Adeyemo	20192/101219/F/134 239610 TIJANI LAWAL AKINOLA
<b>SKILLS</b>		
Auditing & Assurance	N. L. Westgarth	20192/207255/S/12345 232874 BELLO HABEEB OMOTOSHO
Bus. Comm. & Research Methodology	Sir Ike Nwokolo	N/A
Strategic Financial Management	Late Bola Kuforiji-Olubi Elder M. E. Daniels	20191/304617/P/12345 229620 OLABODE HAFSAT OLAYINKA
Performance Management	G. J. Burk	20192/200953/S/1345 239624 ABELEJE OLUBUKOLA OLABISI
Financial Reporting	S. B. Baylis-Smith	20192/205848/S/1345 239025 COOKEY RUTH ESE
Corporate Strategic Management & Ethics	PriceWaterHouseCoopers (PwC)	20192/207857/S/1345 236589 OYEWUSI OLUWASESAN GABRIEL
Public Sector Accounting & Finance	Late Balogun J. O. Omidiora	20192/206275/S/1345 237688 BOLARINWA KAYODE TEMITOPE



# REPORTS OF COUNCIL COMMITTEES

PROFESSIONAL		
Corporate Reporting	Arthur Young, Osindero & Moret	20192/304564/P/1345 174320 AGUNBIADE TAWA OMOLARA 20192/307744/P/12345 231665 OMODUNBI MARY BUKOLA
Advanced Audit & Assurance	J. M. T. Morris & KPMG	20192/304876/P/12345 233746 EKANEM IDONGESIT OBOT
Strategic Financial Management	Late Bola Kuforiji-Olubi Elder M. E. Daniels	20192/306328/P/12345 232265 AJANI TAOFEEK ADEBAYO
Advanced Taxation	Akintola Williams & Co. Olushola Adekanola	20192/304801/P/12345 236399 MUSA SAIDAT IYABO
Case Study	KPMG	20192/307913/P/12345 229681 ABIODUN ADEKUNLE BENJAMIN

## SPECIAL PRIZE

**SWAN Prize for the best qualifying female candidate for the diet.**

Name	Examination No.	Registration No.
ADEWUSI YEMISI REBECCA	20192/304467/P/12345	232842

**Akintola Williams Delloite and Touche Prize for the best qualifying candidate in a diet.**

Name	Examination No.	Registration No.
OKEOWO YUSUF ABAYOMI	20192/307649/P/12345	234907

**Akintola Williams Prize for the best qualifying candidate in a year.**

Name	Examination No.	Registration No.
OBADINA ISRAEL IFEOLUWA	20191/301484/P/12345	230491

## LEGAL COMMITTEE

### ACCOUNTANTS' INVESTIGATING PANEL

The Investigating Panel considered a total of Fifty-seven (57) cases during the year.



# REPORTS OF COUNCIL COMMITTEES



At a Moot Court Session for members of the insolvency Faculty

## a) PENDING CASES

A breakdown of cases pending before the Investigating Panel is as follows:

• Misappropriation of Funds	– 14
• Unethical Practice with regards to audit work	– 6
• Unethical Conduct as a staff	– 4
• Financial Dispute	– 10
• Manipulation of Accounts/Records	– 3
• Others	– 3
<b>TOTAL</b>	<b>– 40</b>

## CASES REFERRED FROM THE INVESTIGATING PANEL TO THE ACCOUNTANTS' DISCIPLINARY TRIBUNAL

In the period under review, four (4) cases were referred to the Disciplinary Tribunal.

## CONCLUDED CASES

The Investigating Panel concluded thirteen (13) cases.

## ACCOUNTANTS' DISCIPLINARY TRIBUNAL

The Accountants' Disciplinary Tribunal considered a total of Seventeen (17) cases of alleged professional misconduct apart from one (1) application for re-instatement.

## PENDING CASES

There are Fourteen (14) cases pending at various stages of hearing, which have not been concluded.

The cases are classified as follows:

• Unethical Practice with regards to audit work	– 2
• Misappropriation of Funds	– 4
• Financial dispute	– 3
• Infamous conduct	– 5
<b>TOTAL</b>	<b>– 14</b>

## CONCLUDED CASES

The Tribunal concluded four (4) cases as follows:

- Re-admission of a member into the Institute.
- A member was reprimanded.
- A member was removed from membership of the Institute and his name struck out from the Register of the Institute's members.
- The Prosecution withdrew the charge in respect of a case.

## STUDENTS' INVESTIGATING COMMITTEE

The Students' Investigating Committee considered a total of Twelve (12) cases.

## PENDING CASES

The Students' Investigating Committee is currently considering Five (5) cases.

The cases are briefly classified as follows:

• Illeged unethical conduct/ misappropriation of funds	– 3
• Financial dispute	– 2
<b>TOTAL</b>	<b>– 5</b>

## CONCLUDED CASES

The Students' Investigating Committee concluded Seven (7) cases of examination misconduct and malpractices.

## AAT INVESTIGATING COMMITTEE

There is no pending matter currently before the AAT Investigating Committee



## FINANCE AND GENERAL PURPOSES COMMITTEE (F&GPC)

### BUDGET DISCIPLINE

Year 2020 Budget was approved by Council in November 2019 and budget implementation commenced in January 2020. There was strict adherence to budget provisions in allocation of funds.

### YEAR 2019 FINANCIAL STATEMENT

The year 2019 Audited Financial Statement recorded a Surplus of N970million as opposed to a deficit of N225million in the previous year. This was achieved through massive revenue drive for self-financing activities and reduction in overheads and running costs.

### SUBSCRIPTION RECOVERY DRIVE

There was massive subscription recovery drive leading to Suspension and Delisting of erring members. A sum of N215million was recovered between October and December 2019 from members who paid up to avoid suspension and delisting.

### ENHANCEMENT OF STAFF WELFARE

The Committee during the year ensures promotion of deserving officers, training and re-training of staff and yearly salary increment was approved as at when due.

### STRONG INVESTMENT DRIVE

There was barely N100million in FGN TB and FD at the commencement of year 2019. As at today, through fiscal discipline the Institute has N718 million in FGN TB and FD.

### GROUP LIFE ASSURANCE FOR NEXT OF KIN OF FINANCIAL MEMBERS AND STAFF

We sustained the Group Life Assurance Scheme for next of kin of deceased financial members and staff of the Institute. N2million and N1.5million are paid as sum assured to next of kin of deceased FCAs and ACAs respectively.

## WORKING CAPITAL MANAGEMENT

The Committee ensured good working capital management through prudent resource allocation to the varying needs of the Institute resulting in the surplus achieved at year end.

- IT Achievements through F&GPC:
- Collocation of server
- Provided leadership in the resolution of NAV snags
- Provided leadership in the implementation of Electronic meetings.



ICAN President with the Auditor-General of the Federation  
Mr. Anthony Ayine, FCA

## PROFESSIONAL PRACTICE COMMITTEE

The Professional Practice Committee (PPC) carried out its responsibilities as contained in its terms of reference. Below is the summary of the Committee's activities during the period:

### 1. UPDATE ON THE STATEMENTS OF MEMBERSHIP OBLIGATIONS (SMOs)

The Committee carried out an extensive review and update of the Institute's SMOs for 2018. The updated SMOs was submitted to the International Federation of Accountants (IFAC) on April 6, 2018 ahead of the deadline to ensure that the Institute continues to maintain its biennial status with IFAC on the submission of its SMOs.



The committee however received IFAC's response on the reviewed document and carried out a second round of review on them after which it submitted to IFAC. IFAC informed the Institute in February 2019 that the updated SMOs have been hoisted on its website.

It is very important to inform members that the Institute has now been upgraded to one of the few

Professional Accountancy Organisations (PAOs) worldwide that will be submitting its SMO Action Plan once every 4 years. When the Institute started submitting SMOs some years ago, it was submitting its SMO Action Plan every year. However, in 2013, ICAN was given biennial eligibility which made it possible for us to be submit once in two years.

In May 2019, the Institute was elevated to the elite class of PAOs that submits its SMO Action plan once in **four years**. In the mail through which the information was passed to the Institute, IFAC wrote among other things, **".....in light of ICAN's sustained, high levels of SMO fulfillment, I am happy to say that ICAN will now be on a 4-year submission cycle and therefore, an updated Action Plan will be due in 2023"**.

## REVIEW AND UPDATE OF ICAN DASHBOARD REPORT

The committee also received Dashboard profile updates from IFAC in November 2018. IFAC updated the Dashboard report based on the information in the Institute's updated SMOs action plan. The Committee reviewed the Dashboard Report and then sent the updated document to IFAC for review.

Please note that IFAC no longer hosts PAO's Dashboard Report on its website, rather, the content of each PAOs DBR is now hosted under two separate headings as **Jurisdiction Profile** and **ICAN's Profile & its activities to fulfill the SMOs**.

## ADOPTION OF CODE OF ETHICS AND OTHER PRONOUNCEMENTS ISSUED BY THE INTERNATIONAL ETHICS STANDARD BOARD FOR ACCOUNTANTS (IESBA)

Council approved the Committee's recommendation that ICAN should adopt the 2018 edition of the IESBA Code of Ethics rather than publishing a revised ICAN's Professional Code of Conduct and Guide for Members.

IFAC has been notified of the Institute's decision to adopt IESBA Code of Ethics and other pronouncements issued by the International Ethics Standard Board for Accountants (IESBA). Members will be notified as soon as the Institute concludes discussion on this with IFAC.

## UPDATE ON THE PROFESSIONAL PRACTICE MONITORING EXERCISE

The Institute has written to selected firms to request for experienced members as Practice Reviewers that will form the pool of the Institute's Practice Reviewers.

The firms nominated seventy-seven (77) members of staff as Reviewers for the exercise.

It is pertinent to state that in the new approach, both the firms and the audit engagement partners will be reviewed. A schedule of both the Firms and the Reviewers for the next phase of review has been prepared. Letters have also been sent to the 21 firms (mainly the big four and some medium-sized firms) scheduled for review to send a list and correspondence details of their audit engagement partners.

The Practice Review documents have been updated by the Ad hoc Committee on Practice Review and also the modalities for the kick-off of the next round of the exercise will be fine tuned by the Adhoc committee in charge before the commencement of the next phase of the review in the second quarter of 2020.



## UPDATE ON THE ADOPTION OF INTERNATIONAL STANDARDS ON AUDITING (ISAs) AND OTHER STANDARDS ISSUED BY IAASB

The Institute through the Committee has obtained permission from IFAC to adopt the standards and other pronouncements issued by IAASB. The implication is that the Institute will no longer adapt International Standards on Auditing (ISAs) as Nigerian Standards on Auditing (NSAs). The Institute encourages its members in practice to use the ISAs in carrying out their audit engagements.

## 2. LICENCE TO PRACTISE AND OTHER RELATED MATTERS

In October 2018, Council approved the transfer of the job functions/responsibilities of licence to practice and other related matters from Membership Affairs Committee to Professional Practice Committee. However, the formal handover was concluded in January 2019. Thus, going forward, the following job functions are now in the purview of Professional Practice Committee:

- Processing of the applications for Practice Licence
- Processing of the applications for Attachment
- Processing of the applications for Seal
- Change of Firm's name
- Processing of renewal of Practice Licence
- Registration of firms

The Conditions and procedures for applying for the above services are hosted on the Institute's website. Alternatively, members who need any of the above services should contact the Professional Practice Department formerly known as Professional Practice Monitoring Department located at the Ebute-Metta Annex Office of the Institute. For enquiries, please call **0905 384 7524** or send a mail to **practicellicence@ican.org.ng**



At the Western Zonal Conference 2019

## PUBLICATIONS & IMAGE COMMITTEE

### THE INSTITUTE'S IMAGE

The Publications and Image Committee (PIC) of the Institute in the year under review pursued its mandate of maintaining and disseminating information to the public, members, stakeholders and the users of accounting services to ensure that the Institute's image continues to improve.

In the year under review, the dissemination of information to both the Institute's internal and external publics was very effective and timely. All the activities of the Institute were widely and adequately covered and reported by both the print and electronic media.

### THE INSTITUTE'S PUBLICATIONS

The quarterly journals of the Institute, The Nigerian Accountant for members and the ICAN Students' Journal as well as the Annual Report and Financial Statements were timely produced. The soft copy of each edition of the journals and the Annual Report and Financial Statements were also hoisted on the Institute's website, while same were also sent via email to financial members and students.

Copies of the publications were also used by the President as part of Public Relations items packaged for dignitaries during Presidential tours of ICAN District Societies and other official visits to further sensitize stakeholders about the Institute.



## SOCIAL MEDIA UNIT

The Institute has established a Social Media Unit which has helped in boosting our online presence and making the Institute more accessible to our stakeholders wherever they may be.

## ANNUAL MERIT AWARDS

The annual dinner and award was earlier scheduled for April 28, 2020. Due to the COVID-19 Pandemic, the event was cancelled. The award part of it known as ICAN merit award, was held electronically on May 20, 2020. The event brought together members of the Institute and accountancy profession as well as other invited guests both from private and public sectors of the economy. Awards were given to some outstanding individuals and corporate bodies for the impact they made on the Institute and the society in general.

The recipients in the different categories are:

### a) **Members category**

- Mr. Cecil O. Oyediran, (PP) FCA
- Mr. G.M Okufi, FCA
- Elder Kalu Uke Kalu, CON, FCA
- Mr. Uyi Akpata, FCA
- Prof. Taiwo Asaolu, FCA

### b) **Non-members category**

- Mallam Ibrahim Magu
- Architect. Harcourt Adukeh

### c) **Corporate Body Category**

- Nigerian National Petroleum Corporation (NNPC)
- University of Calabar

## 2020 ELECTION INTO COUNCIL

In line with International best practice, the 2020 Election to Council was conducted strictly via the internet (e-voting) on the Institute's website.

Eleven vacancies were declared in Council – Five (5) of the existing vacancies are for

members-in-practice and six (6) are for members-not-in-practice. Nominations were received from members. The following people were nominated for election in the two categories:

## MEMBERS IN PRACTICE CATEGORY

- i) Sunday Abayomi Bammeke (Mr)
- ii) Michael Daudu (Mr)
- iii) Jude Sunny Egbo (Mr.)
- iv) Nasiru Muhammad (Hon.)
- v) Olutola Ogundipe (Mr.)
- vi) Orji Johnson Okpechi (Mr.)
- vii) Tajudeen Adewale Olayinka (Mr.)
- viii) Haruna Nma Yahaya (Mallam)

## MEMBERS NOT IN PRACTICE CATEGORY

- i) Oluwatobi Ayodele Abiola (Mr.)
- ii) Gaddafi Omehe Peter Ekhogabon (Mr.)
- iii) Innocent Iweka Okwuosa (Dr.)
- iv) Oluseyi Oladimeji Olanrewaju (Dr.)
- v) Etofolam Felix Osuji (Dr.)
- vi) Hilda Ofure Ozoh (Mrs.)
- vii) Queensley Sofuratu Seghosime (Ms)

Members voted via the ICAN website and the results were downloaded and collated by the Scrutineers appointed by Council. The results of the Election will be announced at this AGM.



Induction of New members at USA Conference in August, 2019



## STUDENTS' AFFAIRS COMMITTEE

### REGISTRATION/EXEMPTION

A total of Eleven Thousand, Six Hundred and Seventeen (11,617) students were registered during the year under review. This brings the total number of registered students to Two Hundred and Twenty-Two Thousand, Four Hundred and Forty (243,440) as at January 2020. Four Thousand, Two Hundred and Thirty-two (4,232) were granted exemptions from various levels of the Professional Examination from March 2019 to January 2020.

Five Thousand, Two Hundred and Ten (5,210) students were registered for the Accounting Technicians Scheme West Africa (ATSWA) in the year under review bringing the total number of registered ATSWA students to One Hundred and Twenty-three Thousand, Seven Hundred and Sixty -Nine (123,769) while Four Hundred and Fifty-two students (452) were granted exemption from various levels of ATSWA.

### ACCREDITATION

Nineteen (19) Universities, Twelve (12) Polytechnics which met the required educational standard of the Institute were accorded full accreditation status during the year, while Fourteen (14) Tuition Centres were granted full/ interim recognition as approved training centres for the Institute's Examination. The Institutions are:

#### Universities

1. NILE University of Nigeria, Abuja FCT
2. Kogi State University, Anyigba, Kogi State
3. Baze University, Abuja, FCT
4. Ritman University, Ikot Ekpene, Akwa-Ibom, State
5. Kwara State University, Malete. Kwara State
6. Federal University, Otuoke, Bayelsa State
7. Federal University of Technology, Akure Ondo State
8. Ibrahim Badamosi Babangida University, Lapai, Niger State.

9. Ignatius Ajuru University of Education, Rumuolumeni, Port Harcourt.
10. Umaru Musa Yar'Adua University Katsina State
11. Federal University of Agriculture, Abeokuta
12. University of Port Harcourt, Rivers State
13. The Bell University, Ota, Ogun State
14. University of Abuja, FCT
15. Usmanu Danfodiyo University, Sokoto
16. Edwin Clark University, Kiagbodo, Delta State.
17. Western Delta University, Oghara, Delta State.
18. Obafemi Awolowo University, Ile-Ife, Osun State
19. Nnamdi Azikiwe University, Awka, Anambra State

### Polytechnics

1. Abraham Adesanya Polytechnic Ijebu Igbo, Ogun State
2. Federal Polytechnic, Ede, Osun –State
3. Federal Polytechnic Nekede, Owerri Imo State
4. The Federal Polytechnic, Ile-Oluji, Ondo State
5. The Oke-Ogun Polytechnic, Saki, Oyo State
6. Kaduna Polytechnic, Kaduna, Kaduna State
7. Osun State College of Technology, Esa-Oke Osun State
8. Akwa Ibom State Polytechnic Ikot Osurua, Akwa-Ibom State
9. Delta State Polytechnic Ozoro, Delta State
10. Federal Polytechnic Ado Ekiti, Ekiti State
11. The Polytechnic Ibadan, Oyo State
12. Kano State Polytechnic, Kano, Kano State



ICAN President Mazi Nnamdi Okwuadigbo reading his speech during courtesy visit to Minister of Education Mallam Adamu Adamu.



## Tuition Centres

1. Brace Management Solution, Mowe, Ogun State
2. Grace Adetola Memorial Place for Tutorial & IT training. Ikere- Ekiti. Ekiti State
3. Horizon Business School Owerri, Imo State
4. Firstaccess Associate Ltd, Egbeda – Lagos
5. Toptalented Tutors, Ajah Lagos
6. Legacy Professional Tutors, Maryland, Lagos.
7. Jos Professional Tutors Consult Ltd, Jos, Plateau State
8. Accuracy Tutors, Aba, Abia State
9. Potec Training Centre, Kubwa, Abuja FCT
10. Galaxy Professional Tutor & Consultants Ltd, Nyanya, FCT
11. Students SWOT and Associates, GRA, Enugu
12. Navigaton Tutors , Otta, Ogun State.
13. TopClass Tutor Ltd, Akoka Lagos
14. Professional Tutors for Success, Osogbo, Osun state.

## ICAN SCHOLARSHIP SCHEME

The Institute has put in place a strategy which will make Accountancy Profession more attractive to the brightest youths from all Universities and Polytechnics. The scholarship programme is to elicit the interest of Nigerian youths as well as attract the best brains to the Accountancy Profession. This is also in compliance with the social responsibility programme of the Institute to the society.

A total of Three Hundred and Fourteen (314) students benefitted from the Scholarship Scheme by sitting for various levels of the Professional Examination in May and November 2019, bringing the total number of beneficiaries to One Thousand, and Seventy-Three (1073).

Thirteen (13) students benefitted under the ATSWA (Silver) category in March and September 2019. Detailed information on the Scheme for all interested and qualified students can be obtained from the Institute's website [icanig.org](http://icanig.org)

## CATCH THEM YOUNG PROGRAMME

The Catch Them Young Programme is an initiative :

designed to:

- Create awareness among students about the career opportunities available to them through the Institute of Chartered Accountants of Nigeria's platform.
- Take ICAN to the grassroots with a view to "catching them young".
- Promote the sense of self-employment/ entrepreneurship, future prospects and personal interest among the students.
- Create a sense of commitment to excellence among students and teachers of commercial subjects in secondary schools.
- Enhance the quality of commercial education in our Secondary Schools.
- Promote a platform for socio-academic interaction among the commercial Secondary School students.

I also provides support for the career development of the students sitting for the Accounting Technicians' Scheme West Africa (ATSWA) Examination and eventually, the Professional Examinations of the Institute.

The Institute had conducted the programme in thirty four (34) states in the country including the six (6) Educational Districts in Lagos state since inception in 2014 and still counting.

In 2019, the programme was conducted in Seventeen (17) locations, namely:

1. Ijebu-Ode & District Jan 22, 2019
2. Ota & District Feb 12, 2019
3. Ojo Badagry & District May 21, 2019
4. Ogbomoso & District May 23, 2019
5. Mowe & District June 11, 2019
6. Osun & District June 25, 2019
7. Jos & District July 02, 2019
8. Kano/Jigawa July 16, 2019
9. Onitsha & District October 02, 2019
10. Abraka & District October 04, 2019



11. Minna & District October 08, 2019
12. Amuwo & District October 16, 2019
13. Awka & District October 17, 2019
14. Enugu & District October 31, 2019
15. Ikorodu & District November 06, 2019
16. Umuahia & District November 12, 2019
17. Auchi November 21, 2019

## STUDENT'S AWARENESS PROGRAMME

The Students Awareness Programme is a programme for all accounting and non-accounting students who desire to pursue Accountancy as a profession. The programme is designed to encourage the best and brightest students to make a career in Accountancy and also leverage its limitless possibilities, opportunities and benefits of earning the Chartered Accountant's qualification (ACA). The programme is structured to prepare students for the many opportunities that lie ahead in the corporate setting.

The programme was also conducted during the accreditation exercise in forty-five (45) tertiary institutions across the nation, including a special awareness programme that took place during the orientation programme of Faculty of Management Sciences in Ekiti State University, Ado-Ekiti, Umaru Musa Yar'adua University, Katsina, Katsina State, and University of Ilorin, Kwara State.

## SYLLABUS REVIEW

The Syllabus Review Technical Committee in conjunction with Students' Affairs Committee completed the review of the new syllabus which took effect from the November 2019 diet of the Institute's Examination. The committee carried out sensitization programme on the new syllabus from August 3 – 17, 2018 at six (6) locations namely: Lagos, Abuja, Enugu, Port-Harcourt, Ibadan and Kano.

## STUDY TEXT PREPARATION

The Syllabus Review Implementation Committee saddled with the responsibility of facilitating the

preparation and production of study texts had completed the assignment. The first batch of the Study Text was received in January 2020 and distributed to Professional Students.



ICAN President Mazi Nnamdi Okwuadigbo presents gift to Borno state Governor Babagana Umara Zulum during courtesy visit to the state.



Courtesy Visit to the Obi of Onitsha



## SMALL AND MEDIUM-SIZED PRACTICE (SMP) COMMITTEE

Establishment of ICAN SMP Academy – Based on the Committee's recommendation, the Institute has decided to set up an ICAN SMP Academy. The objective of the academy is to improve the skill set of members especially those in the small and medium-sized practices. The Academy will not have a permanent physical location but will be coordinated by the SMP Committee. Its trainings would be held periodically at selected locations across the country and would be affordable by the SMPs. It is very important to note that the Institute has written to the big four and other big firms to contribute faculty members towards the realization of the objectives of the Academy.

The Institute received positive responses from all the firms including the big four. Already, one of the big four firms has developed the papers to be used for the trainings pro bono based on the curriculum of the proposed academy. The detailed workings of the Academy have been approved by the Council.

The Committee has been given the mandate by Council to ensure that its Seminar is held in the different geo-political zones of the country. The Committee will soon roll out details of its programmes to enable members prepare for them in advance.

### Establishment of Help Desk and Portal for Practitioners.

Based on the Committee's recommendation, the Council has approved the establishment of ICAN Help Desk and Portal for Practitioners.

#### (i) ICAN HELPDESK

The objective is to provide a portal for members in practice who require support on specific technical issues they encounter in the course of their practice.

#### (ii) ICAN PORTAL FOR PRACTITIONERS

The objective is to provide a platform for proactive ongoing interaction with members

in professional practice where relevant information for members in practice could be disseminated promptly.

The portal will serve as a channel for alerts on technical issues in accounting and auditing matters, key industry and regulatory developments. It will also serve as a channel for practitioners to access practice templates and guides as well as details of the ICAN SMP Academy curriculum and training schedules. It may also serve as a channel for practitioners to provide feedback and make suggestions on how the Institute could improve its support to practitioners, especially the SMPs. It is important to note at this juncture that one of the big four firms has worked voluntarily with SMP Committee and the IT department of the Institute to develop detailed workings of both the Help Desk and Portal for Practitioners including the roadmap for their implementation. The Information Technology (IT) and Professional Practice Departments are currently working together to ensure the take off of the projects very soon.

### Update of Guidelines for Merger of Small and Medium-sized Firms

Based on the recommendation of the Committee, Council has approved the updating of the pamphlet "Guidelines for Merger of Small and Medium-sized Firms" published by the Institute in 2012. The major aim is to ensure that the document designed to guide Small and Medium-sized Practices (SMPs) who wish to merge their practices, contains up to date information that would enable them do so seamlessly. The Committee will soon update the guidelines and once it concludes, the document will be hoisted on the Institute's website.

### Capacity building in big firms

The Council has approved the Committee's proposal that would enable SMPs to acquire additional practical training in big four and some medium-sized firms without disrupting the operations of the firms.



To achieve this objective, the Institute has written to some of the big firms to consider it as a corporate social responsibility as well as their contribution towards raising the standard of auditing practice in Nigeria. This initiative, known as “Capacity Building in Big Firms” is one of the means the Institute is using to assist SMPs to bridge their knowledge gap and improve the quality of services they render to their clients. It is very important to note that one of the big four had already commenced this laudable programme on its own. The responses from the firms written have been very positive and the Committee will soon conclude its arrangements and commence the programme.

## DEVELOPMENT OF AUDIT MANUAL FOR SMALL AND MEDIUM-SIZED FIRMS

The SMP Committee has concluded work on the development of an Audit Manual for SMPs. The primary objective of the Audit Manual is to support SMPs to document audit work that provides;

- A sufficient and appropriate record of the basis for the auditor’s report; and
- Evidence that the audit was planned and performed in accordance with International Standards on Auditing (ISAs) and applicable legal and regulatory requirements.

The manual which was developed in compliance with the International Standards on Auditing (ISAs) will greatly assist the SMPs in improving the quality of services they render to their clients. The manual has since been hoisted on the Institute’s website for the benefit of the members especially, the SMPs.



(L-R) Dr. Innocent Okwuosa FCA ICAN Council Member ICAN President Mazi Nnamdi Okwuadigbo FCA, Accountant General of the Federation Alh. Idris Ahmed FCNA and ICAN past President Mallam Ismaila Zakari FCA at the Federation Accounts Allocation Committee meeting in Abuja, 2019.



ICAN President Mazi Nnamdi Okwuadigbo FCA, with the president Association of Professional Bodies of Nigeria Dr. Omede Idris



# HONORARY TREASURER'S REPORT

## TO MEMBERS OF THE INSTITUTE

I am pleased to welcome distinguished members of the Institute to the 55th Annual General Meeting of the Institute of Chartered Accountants of Nigeria and to present the year 2019 Financial Statements which were considered and recommended by the Council at its meeting of April 23rd, 2020 for your consideration and approval.

Below are the highlights of the 2019 Financial Statements:

	YEAR 2019	YEAR 2018	INCREASE/ (DECREASE)	INCREASE/ (DECREASE)
	N'000	N'000	N'000	%
<b>TOTAL ASSETS</b>	4,671,951	3,616,827	1,055,124	29.17%
<b>TOTAL LIABILITIES</b>	390,948	305,354	(85,594)	(28.03%)
<b>TOTAL FUNDS AND RESERVES</b>	4,281,003	3,311,473	1,214,140	29.27%
<b>TOTAL INCOME</b>	3,550,890	2,802,170	748,720	26.71%
<b>TOTAL EXPENDITURE</b>	2,573,533	2,978,349	404,816	13.59%
<b>TOTAL SURPLUS/(DEFICIT) FOR THE YEAR</b>	977,357	(176,179)	1,153,536	654.75%

## COMMENTS ON THE OPERATING RESULTS AND MAJOR BALANCE SHEET ITEMS

The Institute recorded a surplus of N977million (compared to a deficit of N176million in 2018). The performance is as a result of improved contributions from Self Financing activities, Fees & Subscriptions from members and students and rental income.

Precisely, this performance is an overall growth of about N1.154billion. Some of the activities that contributed to the excellent performance are:

- Professional examinations through the innovation of e-marking to the examinations process enhanced a growth of N236million over last year;
- Membership Subscription, more members paid current year subscription leading to N105million recovered over the last year;
- Increase in number of students' registration, subscription and exemptions contributed to over N143million;
- Other Self financing events such as Fellowship conferment, Members Induction, MCPD, Faculties, Annual Accountants Conference and sales of Seal & Stamps recorded a growth of N180million to the overall performance.
- The introduction of virtual meetings for Committees of Council using ZOOM technology towards the last quarter of the year also reduced cost of operations, which impacted the performance to the tune of N40million
- Generally, savings have been made in other general overheads such as General repairs and maintenance, Local & Overseas tours, Co-ordination of District Societies, Printing, photocopy & stationery as we move towards a more paperless workspace and Staff Overseas & Local Training etc. reduced drastically by N190million.



# HONORARY TREASURER'S REPORT

- There was no World Congress of Accountants (WCOA) in year 2019, hence over N90million incurred during the last WCOA in Sydney was saved,

Total Assets as at 31 December 2019 were N4.67billion, an increase of N1.05 billion on the 2018 position (2018:N3.62 billion) owing to increase in stock of study text, revaluation surplus on Investment property, investment in FGN Treasury Bills and increase in bank deposits.

During year 2019, the non-current assets rose slightly to N2.82 billion from N2.76 billion in 2018. The current assets increased by N996million from N856million to N1.85 billion as at 31 December 2019. Current liabilities were N41million (2018: N19million). Cash and cash equivalents ended the year at N1.29billion, reflecting net cash inflow of N794million in the year.

The Institute continues to comply with the two new IFRSs that became operational from January 1, 2018 i.e. IFRS 9 which deals with impairment using expected credit loss (ECL) model and IFRS 15 that bothers on impact assessment of revenue from contracts with customers. This is to ensure comparability of information between year 2018 and 2019.

In the same vein, the Institute continued the implementation of the Accountability Index to improve accountability in the public sector in accordance with the International Federation of Accountants' regulations.

As founding members of IFAC, PAFA, CAW and ABWA, the Institute plays prominent roles in these International Bodies and adequately met its financial obligations to these bodies during the year under review. The total amount incurred was N187 million (N171 million in Year 2018)

Finally, we give glory to God Almighty for the success recorded in the year and appreciate members for excellence, independence and integrity displayed during the year. I wish to conclude this report by thanking all of you for the opportunity given to me to be of service to our esteemed Institute as the Honorary Treasurer.



**Chief Oyemolu Olugbenga Akinsulire, MSc, MBA, FCTI, FCA**  
**Honorary Treasurer**





# INDEPENDENT AUDITOR'S REPORT

TO MEMBERS OF THE INSTITUTE OF CHARTERED ACCOUNTANTS OF NIGERIA



## REPORT ON THE AUDIT OF THE FINANCIAL STATEMENTS

### Our Opinion

In our opinion, The Institute Of Chartered Accountants Of Nigeria ("the institute's") financial statements give a true and fair view of the financial position of the institute as at 31 December 2019, and of its financial performance and its cash flows for the year ended in accordance with the international Financial reporting standards

### What have we audited

The Institute of Chartered Accountants of financial statements comprise:

The statement of financial position as at 31 December;

The statement of comprehensive income for the year then ended;

The statement of cash flows for the year then ended; and

The notes to the financial statements which include a summary of significant accounting policies.

### Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs). Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of our report.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

### Independence

We are independent of the institute in accordance with the International Code of Ethics for Professional Accountants (including International Independence Standards), i.e. the IESBA Code issued by the International Ethics Standards Boards for Accountants. We have fulfilled our ethical responsibilities in accordance with the IESBA Code.

### Other information

The Council is responsible for the other information. The other information comprises the Notice of Meeting, details of Officers and council details of Past Presidents, Presidents Statement, Report of committees of not include the financial statements and our auditor's report thereon.

Our opinion on the financial statements does not cover the other information and we do not express an audit opinion or any form of assurance conclusion thereon.

Our opinion on the financial statements does not cover the other information and we do not express an audit opinion or any form of assurance conclusion thereon.



THE INSTITUTE OF CHARTERED ACCOUNTANTS OF NIGERIA

(Established by the Act of Parliament No. 15 of 1965)

2019 Annual Report and Financial Statements



# INDEPENDENT AUDITOR'S REPORT

In connection with our audit of the financial statements, our responsibility is to read the other information identified above and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated. If, based on the work we have performed we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing in this regard.

## **Responsibilities of the Council and those charged with governance for the financial statements**

The council is responsible for the preparation of the financial statements that give a true and fair view in accordance with the International Financial Reporting Standards and the Institute of Chartered Accountants of Nigeria, and for such internal control as the council determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the council is responsible for assessing the institute's ability to continue a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the council either intend to liquidate the institute or to ease operations, or have no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the institute's financial reporting process.

## **Auditor's responsibilities for the audit of the financial statements**

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatements whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that audit conducted in accordance with ISAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with the ISAs, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the institute's internal control.



# INDEPENDENT AUDITOR'S REPORT

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the council.
- Conclude on the appropriateness of the council use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the institute's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the institute to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represents the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.



*Edafe Erhie*

For: **PricewaterhouseCoopers**  
Chartered Accountants  
Lagos, Nigeria  
7 May 2020

Engagement Partner: **Edafe Erhie, FCA**  
FRC/2013/ICAN/00000001143



*Gabriel Idahosa*

For: **UHY Maaji**  
Chartered Accountants  
Lagos, Nigeria  
7 May 2020

Engagement Partner: **Gabriel Idahosa, FCA**  
FRC/2014/ICAN/00000009524



# STATEMENT OF FINANCIAL POSITION

FOR THE YEAR ENDED 31 DECEMBER, 2019.

	Notes	31 December 2019 N'000	31 December 2018 N'000
<b>Income</b>			
Fees and subscriptions	4	1,540,207	1,292,365
Operating activities	5(a)	3,971,183	3,545,126
		<b>5,511,390</b>	<b>4,837,491</b>
<b>Operational expenditure</b>	5(b)	<b>(2,182,735)</b>	<b>(2,173,356)</b>
<b>Surplus of income over expenditure</b>		<b>3,328,655</b>	<b>2,664,135</b>
<b>Investment income</b>	6(a)	52,533	49,772
Interest income	6(c)	30,824	42,210
Other income	6(b)	138,878	46,053
<b>Total income</b>		<b>3,550,890</b>	<b>2,802,170</b>
<b>Non operational expenditure</b>			
International affiliation costs	7	187,843	171,475
Depreciation and amortisation	8	257,233	231,823
General and administrative expenses	9	1,111,107	1,001,153
Personnel cost	10	1,046,993	972,619
Other operational expenditure	11(a)	419,580	518,025
Impairment (reversals)/charges	11(b)	(449,223)	83,254
		<b>2,573,533</b>	<b>2,978,349</b>
<b>Surplus/(deficit) for the year</b>		<b>977,357</b>	<b>(176,179)</b>
<b>Other comprehensive income:</b>			
<b>Items that will not be reclassified to profit or loss:</b>			
Loss in financial assets fair valued through other comprehensive income	16	(7,827)	(49,348)
<b>Total comprehensive income/(loss) for the year</b>		<b>969,530</b>	<b>(225,527)</b>
The notes on pages 8 to 41 are an integral part of these financial statements.			



# STATEMENT OF FINANCIAL POSITION

FOR THE YEAR ENDED 31 DECEMBER, 2019.

	Notes	31 December 2019 N'000	31 December 2018 N'000
<b>Non-current assets</b>			
Property, plant and equipment	13	1,054,414	1,032,621
Intangible assets	14	-	12,374
Investment property	15	1,715,000	1,638,000
Financial assets FVOCI	16	45,042	59,274
Financial assets at amortised cost	17(b)	5,572	18,575
<b>Total non-current assets</b>		<b>2,820,028</b>	<b>2,760,844</b>
<b>Current assets</b>			
Members' subscription receivables	30	69,575	75,102
Financial assets at amortised cost	17(b)	37,643	23,375
Inventories	18	299,383	119,990
Other receivables	19	77,009	26,660
Prepayment	20	75,297	111,698
Deferred expenses	21	3,411	4,371
Cash and cash equivalents	22	1,289,605	494,787
<b>Total current assets</b>		<b>1,851,923</b>	<b>855,983</b>
<b>Total assets</b>		<b>4,671,951</b>	<b>3,616,827</b>
<b>Funds and reserve</b>			
Accumulated fund	26(a)	2,138,288	924,148
Other charitable and trust funds	26(b)	2,143,804	2,380,587
FVOCI reserve		(1,089)	6,738
<b>Total funds and reserve</b>		<b>4,281,003</b>	<b>3,311,473</b>
<b>Non-current liabilities</b>			
Contract liabilities	25	41,235	19,034
<b>Total non-current liabilities</b>		<b>41,235</b>	<b>19,034</b>
<b>Current liabilities</b>			
Accounts payable	24	349,713	286,320
<b>Total current liabilities</b>		<b>349,713</b>	<b>286,320</b>
<b>Total liabilities</b>		<b>390,948</b>	<b>305,354</b>
<b>Total reserves and liabilities</b>		<b>4,671,951</b>	<b>3,616,827</b>

The notes on pages 8 to 41 are an integral part of these financial statements.

The financial statements were approved and authorised for issue by council on April 23, 2020 and signed on its behalf by:



Okwuadigbo Anthony Nnamdi  
President  
FRC/2012/ICAN/00000000225



Akinsulire Oyemolu O  
Honorary Treasurer  
FRC/2017/ICAN/00000017086



Ahmed Modu Kumshe  
Registrar/Chief Executive  
FRC/2020/ICAN/000000206859



# STATEMENT OF CHANGES IN MEMBERS'S FUNDS

FOR THE YEAR ENDED 31 DECEMBER, 2019.

						Other charitable
	FVOCI reserves N'000	Accumulated fund N'000	Development fund N'000	Education house support N'000	Whistleblower fund N'000	Prizes fund N'000
<b>Balance at 31 December 2017-Restated</b>	56,087	1,171,227	1,563,316	-	-	13,422
Deficit for the year	-	(176,179)	-	-	-	-
Utilisation from fund	-	229,140	-	-	-	(2,872)
Transfer of profit from investment disposed	-	-	-	-	-	-
(Transfer from)/receipt into fund	-	(300,040)	-	-	-	-
<b>Movement in funds</b>	-	-	-	-	-	-
Equity investment	(49,349)	-	-	-	-	-
<b>Total comprehensive income</b>	<b>(49,349)</b>	<b>(247,079)</b>	<b>-</b>			<b>(2,872)</b>
<b>Balance at 31 December 2018</b>	<b>6,738</b>	<b>924,148</b>	<b>1,563,316</b>	<b>-</b>	<b>-</b>	<b>10,550</b>
Surplus for the year	-	977,357	-	-	-	-
Utilisation from fund	-	344,960	-	-	-	(2,324)
(Transfer from)/receipt into fund	-	(108,177)	-	-	-	-
(Transfer from)/receipt into fund	-	-	(100,000)	50,000	50,000	-
<b>Movement in funds</b>	-	-	-	-	-	-
Equity investment	(7,827)	-	-	-	-	-
<b>Total comprehensive income</b>	<b>(7,827)</b>	<b>1,214,140</b>	<b>(100,000)</b>	<b>50,000</b>	<b>50,000</b>	<b>(2,324)</b>
<b>Balance at 31 December 2019</b>	<b>(1,089)</b>	<b>2,138,288</b>	<b>1,463,316</b>	<b>50,000</b>	<b>50,000</b>	<b>8,226</b>

The analysis of reserves is presented in Note 26



# STATEMENT OF CHANGES IN MEMBERS'S FUNDS

and trust funds-----

Benevolent fund N'000	Library fund N'000	Accountancy research fund N'000	Study text revolving fund N'000	Student development & support fund N'000	Total N'000
171,381	35,139	145,469	317,501	33,324	3,506,866
-	-	-	(128,220)	(82,599)	(176,179)
-	(15,449)	-	-	-	30,135
30,135	-	-	205,024	71,514	-
23,502	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	(49,349)
<b>53,637</b>	<b>(15,449)</b>	<b>-</b>	<b>76,804</b>	<b>(11,085)</b>	<b>(195,393)</b>
<b>225,018</b>	<b>19,690</b>	<b>145,469</b>	<b>394,305</b>	<b>22,239</b>	<b>3,311,473</b>
-	-	-	-	-	977,357
(230)	(10,046)	-	(243,193)	(89,167)	-
26,845	-	-	81,332	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
<b>26,615</b>	<b>(10,046)</b>	<b>-</b>	<b>(161,861)</b>	<b>(89,167)</b>	<b>977,357</b>
<b>251,633</b>	<b>9,644</b>	<b>145,469</b>	<b>232,444</b>	<b>(66,928)</b>	<b>4,288,830</b>



# STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED 31 DECEMBER, 2019.

	Notes	31 December 2019 N'000	31 December 2018 N'000
<b>Cash flows from operating activities</b>			
Cash used in operating and fund activities	29(a)	1,275,804	(107,420)
Cash generated from funding activities	29(b)	(236,783)	101,035
<b>Net cash generated/(used) from operating activities</b>		<b>1,039,021</b>	<b>(6,385)</b>
<b>Cash flows from investing activities</b>			
Acquisition of property, plant and equipment	13	(283,053)	(314,297)
Proceed from disposal of property, plant and equipment	6(b)	884	8,428
Proceed from disposal of equity investments	16	6,405	30,135
Interest received	6(a)	30,824	42,210
<b>Net cash used in investing activities</b>		<b>(244,940)</b>	<b>(233,524)</b>
<b>Cash flows from financing activities</b>		-	-
<b>Net cash generated from financing activities</b>		-	-
Net increase/(decrease) in cash and cash equivalents		794,081	(239,910)
Foreign exchange loss/(gain) on cash and cash equivalents		737	(1,000)
Cash and cash equivalents at the beginning of the year		494,787	735,697
<b>Cash and cash equivalents at the end of the year</b>		<b>1,289,605</b>	<b>494,787</b>
		1,289,605	494,787
		(0)	-



## 1. GENERAL INFORMATION

The Institute of Chartered Accountants of Nigeria (ICAN) is a body established by Act of Parliament No.15 of 1965 to:

- i) determine what standards of knowledge and skill are to be attained by persons seeking to become member of the accountancy profession and to raise those standards from time to time as circumstances may permit;
- ii) secure in accordance with the provisions of the Act, the establishment and maintenance of the registers of fellows, associates and registered Accountants entitled to practice as Accountants and Auditors and to publish from time a list of those persons;
- iii) perform, through the Council of the Institute, all other functions conferred on it by the Act.

The Institute is an accountancy body in Nigeria recognised by the International Federation of Accountants (IFAC) as the foremost professional accountancy body in the West African sub-region. The Institute, in 1982, initiated and contributed significantly to the formation of the Association of Accountancy Bodies in West Africa (ABWA). The Institute is also a pioneer member of Pan-African Federation of Accountants (PAFA) and indeed produced its pioneer president.

### HEAD OFFICE

Plot 16, Idowu Taylor Street,  
Victoria Island, Lagos, Nigeria  
P.O. Box 1580, Lagos.  
e-mail: [info@ican.org.ng](mailto:info@ican.org.ng)  
website: [www.ican-ngn.org](http://www.ican-ngn.org)

### VISION

To be a leading global professional body.

### MISSION STATEMENT

To produce world class Chartered Accountants, regulate and continually enhance their ethical standards and technical competence

### MOTTO

Accuracy and Integrity

### FINANCIAL REPORTING REGISTRATION NO:

FRC/2013/0000000017

### JOINT AUDITORS

PricewaterhouseCoopers (PwC)  
Chartered Accountants  
Landmark Towers  
5B Water Corporation Road  
Victoria Island  
Lagos

### UHY Maaji & Co Chartered Accountants

22 Town Planning Way  
Ilupeju  
Lagos



## 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

### 2.1 Introduction to summary of significant accounting policies

The principal accounting policies applied in the preparation of these financial statements are set out below. These policies have been consistently applied to all the years presented, unless otherwise stated.

### 2.2 Basis of preparation

The financial statements of the Institute of Chartered Accountants of Nigeria have been prepared in accordance with International Financial Reporting Standards (IFRS) as issued by the International Accounting Standards Board ("IASB"). Additional information required by National regulations is included where appropriate.

The financial statements comprise the statement of comprehensive income, the statement of financial position, the statement of changes in members' funds, the statement of cash flows and the notes to the financial statements.

The financial statements have been prepared in accordance with the going concern principle under the historical cost concept. All values are rounded to the nearest thousand, except when otherwise indicated. The financial statements are presented in Naira.

The preparation of financial statements in conformity with IFRS requires the use of certain critical accounting estimates. It also requires management to exercise its judgment in the process of applying the Institute's accounting policies. Changes in assumptions may have a significant impact on the financial statements in the period the assumptions changed. Management believes that the underlying assumptions are appropriate and that the Institute's financial statements, therefore, present the financial position and results fairly. The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the financial statements are disclosed in Note 2.3

#### 2.2.1 Going concern

The Institute has consistently been generating funds through its members' subscriptions and students' exams fee. The Management believes that there is no intention or threat from any source to curtail significantly its membership and students enrollment in the foreseeable future. Thus, these financial statements are prepared on a going concern basis.

#### 2.2.2 Changes in accounting policies and disclosures

##### (a) New standards, amendments and interpretations adopted by the Institute

There were no new standards adopted by the Institute for the first time for the financial year **beginning** on or after 1 January 2019.

##### (b) Standards, amendments and interpretations effective on or after 1 January 2019

###### IFRS 16 Leases

The new standard supersedes IAS 17 and will result in almost all leases being recognised on the balance sheet by lessees as the distinction between operating and finance leases is removed. Under the new standard, an asset (the right to use the leased item) and a financial liability to pay rentals are recognised; the only exceptions are short-term leases that do not contain a purchase option and low-value leases. The right-of-use assets will be depreciated on a straight-line basis. The liability, recognised as part of borrowings, will be measured at a discounted value using the interest rate implicit in the lease (if that rate can be determined), or the incremental borrowing rate of the lease and any interest will be charged to finance costs in the income statement. Therefore, the charge to the income statement for the operating lease expense will be replaced with depreciation on the right-of-use asset and the interest charge inherent in the lease. The standard does not have any material impact on the Institute.

The institute does not currently have any lease contract where it is the lessee. However, the Institute is a lessor. It receives rental income from its leased buildings. The accounting for the lessor does not change under IFRS 16



## (a) Classification and measurement

It is the Institute's policy to initially recognize investments and other financial assets at fair value plus transaction costs.

Classification and subsequent measurement is dependent on the Institute's business model for managing the asset and the cash flow characteristics of the asset. On this basis, the Institute may classify its financial instruments at amortised cost, fair value through profit or loss and at fair value through other comprehensive income (FVTOCI).

For assets measured at fair value, gains and losses will either be recorded in profit or loss or OCI. For investments in equity instruments that are not held for trading, this will depend on whether the Institute has made an irrevocable election at the time of initial recognition to account for the equity investment at fair value through other comprehensive income (FVOCI).

## (a) Classification and measurement (Cont'd)

### Financial assets (Cont'd)

The Institute's financial assets at amortised cost at the reporting date include staff loans, loans and receivables and receivables from district societies. Other financial assets at amortised cost include cash and cash equivalents, membership subscription receivables, and other receivables. They are included in current assets, except for maturities greater than 12 months after the reporting date.

Interest income from these assets is included in finance income using the effective interest rate method. Any gain or loss arising on derecognition is recognized directly in profit or loss and presented in finance income/cost.

### Equity investments

The Institute's policy is to subsequently measure all quoted investments at FVTOCI. Fair value gains and losses are recognised in OCI and are not subsequently reclassified to profit or loss, including on disposal. Dividends from such investments continue to be recognised in profit or loss as other income when the Institute's right to receive payments is established.

### Financial liabilities

Financial liabilities of the Institute are classified and measured at fair value on initial recognition and subsequently at amortized cost net of directly attributable transaction costs.

Fair value gains or losses for financial liabilities designated at fair value through profit or loss are accounted for in profit or loss except for the amount of change that is attributable to changes in the Institute's own credit risk which is presented in other comprehensive income. The remaining amount of change in the fair value of the liability is presented in profit or loss. The Institute's financial liabilities include accrued expenses and other account payables. The Institute does not have any financial liabilities at fair value through profit or loss.

## (b) Impairment of financial assets

Recognition of impairment provisions under IFRS 9 is based on the expected credit loss (ECL) model. The ECL model is applicable to financial assets classified at amortized cost and contract assets under IFRS 15: Revenue from Contracts with Customers. The measurement of ECL reflects an unbiased and probability-weighted amount that is determined by evaluating a range of possible outcomes, time value of money and reasonable and supportable information that is available without undue cost or effort at the reporting date, about past events, current conditions and forecasts of future economic conditions.



The simplified approach is applied to membership subscription receivables while the general approach is applied to all other financial assets at amortised cost.

The simplified approach requires expected lifetime losses to be recognized from initial recognition of the receivables. This involves determining the expected loss rates using a provision matrix that is based on the Institute's historical default rates observed over the expected life of the receivable and adjusted for forward-looking estimates. This is then applied to the gross carrying amount of the receivable to arrive at the loss allowance for the period.

The three-stage approach assesses impairment based on changes in credit risk since initial recognition using the past due criterion and other qualitative indicators such as increase in political concerns or other macroeconomic factors and the risk of legal action, sanction or other regulatory penalties that may impair future financial performance. Financial assets classified as stage 1 have their ECL measured as a proportion of their lifetime ECL that results from possible default events that can occur within one year, while assets in stage 2 or 3 have their ECL measured on a lifetime basis.

Under the three-stage approach, the ECL is determined by projecting the probability of default (PD), loss given default (LGD) and exposure at default (EAD) for each ageing bucket and for each individual exposure. The PD is based on default rates determined by external rating agencies for the counterparties. The LGD is determined based on management's estimates by adopting the average recovery rates for corporate senior unsecured loans in emerging economies. The EAD is the total amount of outstanding receivable at the reporting period. These three components are multiplied together and adjusted for forward looking information, such as inflation and interest rate, to arrive at an ECL which is then discounted back to the reporting date and summed. The discount rate used in the ECL calculation is the original effective interest rate or an approximation thereof.

Loss allowances for financial assets measured at amortized cost are deducted from the gross carrying amount of the related financial assets and the amount of the loss is recognized in profit or loss.

## (c) Significant increase in credit risk and default definition

### Significant increase in credit risk

The Institute assesses the credit risk of its financial assets based on the information obtained during periodic review of publicly available information, industry trends and payment records. Based on the analysis of the information provided, the Institute identifies the assets that require close monitoring. The Institute has considered various quantitative and qualitative criteria in determining significant increase in credit risk.

### Classification and measurement (Cont'd)

### Significant increase in credit risk and default definition (Cont'd)

#### i) Quantitative criteria

The Institute has **considered** the external credit rating for other receivables in determining significant increase in credit risk (SICR). The Institute monitors changes in external ratings of counterparties to assess significant increase in credit risk (SICR). Evidence of SICR depends on rating at initial recognition and the extent of movement in number of notches **downgraded** (number of downward movements between rating grades) as at reporting date.



# NOTES TO THE FINANCIAL STATEMENTS

The table below shows the notch downgrades for each credit rating:

credit Rating (S&P)	Grade	Number of notch downgrades
AAA	Investment grade	4
AA+		
AA		
AA-		
A+		
A		
A-		
BBB+		
BBB		
BBB-		

External credit Rating (S&P)	Grade	notch downgrades
BB+	Speculative grade	2
BB		
BB-		
B+		
B		
B-		
CCC+		
CCC		
CCC-		
C		
D		

## ii) Qualitative criteria

The Institute considers the following as qualitative indicators of significant increase in credit risk:

1. Actual or expected forbearance or restructuring.
2. Significant deterioration in liquidity/solvency levels of the debtor at the reporting date which could result in a significant change in the party's ability to meet its obligations relative to the origination date (date the receivable was recognised).
3. Significant increase in credit spread
4. Significant adverse changes in business, financial and/or economic conditions in which the counterparty operates.

## iii) Back stop indicator

Financial assets that have been identified to be more than 30 days past due (Watchlist) on contractual payments are assessed to have experienced significant increase in credit risk. These assets are grouped as part of Stage 2 financial assets where the three-stage approach is applied.

## Definition of default

In line with the Institute's credit risk management practices, a financial asset is defined to be in default when contractual payments have not been received at least 90 days after the contractual payment period. Subsequent to default, the Institute carries out active recovery strategies to recover all outstanding payments due on receivables. Where the Institute determines that there are no realistic prospects of recovery, the financial asset and any related loss allowance is written off either partially or in full.

## (c) Significant increase in credit risk and default definition (Cont'd)

The Institute considers a financial asset to be in default which is fully aligned with the credit-impaired, when it meets one or more of the following criteria:

### i) Quantitative criteria

The party is more than 90 days past due on its contractual payments.

### ii) Qualitative criteria

The member/party meets unlikelihood to pay criteria, which indicates the member/party is in significant financial difficulty. These are instances where:

- The party is in long-term forbearance
- The party is deceased
- The party is insolvent
- The party is in breach of financial covenant(s)
- An active market for that financial asset has disappeared because of financial difficulties
- Concessions have been made by the lender relating to the party's financial difficulty



## (d) Derecognition

### Financial assets

The Institute derecognises a financial asset when the contractual rights to the cash flows from the financial asset expire or when it transfers the financial asset and the transfer qualifies for derecognition. Gains or losses on derecognition of financial assets are recognized as finance income/ cost.

### Classification and measurement (Cont'd)

#### Financial liabilities

Financial liabilities are derecognised when they are extinguished (i.e. when the obligation specified in the contract is discharged, cancelled or expires). When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as a derecognition of the original liability and the recognition of a new liability. The difference in the respective carrying amounts is recognized immediately in the statement of comprehensive income.

## (e) Write-off policy

The Institute writes off financial assets, in whole or in part, when it has exhausted all practical recovery efforts and has concluded that there is no reasonable expectation of recovery. Indicator that there is no reasonable expectation of recovery includes ceasing enforcement activities.

## (f) Offsetting of financial assets and financial liabilities

Financial assets and liabilities are offset and the net amount is reported in the statement of financial position. Offsetting can be applied when there is a legally enforceable right to offset the recognized amounts, and there is an intention to settle on a net basis or realize the asset and settle the liability simultaneously.

## 2.2.4 Revenue recognition from contracts with customers

Revenue is measured at the fair value of the consideration received or receivable for services, in the ordinary course of the Institute's activities. "The Institute recognises fees and subscriptions to depict the transfer of promised services to members and students in an amount that reflects the consideration to which it expects to be entitled in exchange for those services"

A valid contract is recognised as revenue after;

- The contract is approved by the parties.
- Rights and obligations are recognised.
- Collectability is probable.
- The contract has commercial substance.
- The payment terms and consideration are identifiable.

The probability that a customer would make payment (collectability criteria) is ascertained based on the evaluation done on the members as stated in the credit management policy at the inception. The historical performance of members are considered when determining collectability of the revenue.



The probability that a customer would make payment (collectability criteria) is ascertained based on the evaluation done on the members as stated in the credit management policy at the inception. The historical performance of members are considered when determining collectability of the revenue.

The Institute is the principal in all of its revenue arrangement and recognises revenue from the following activities:.

- Fees and subscription
- Qualification and fellowship
- Regulation, education and discipline
- Conferences and courses
- Seal and stamps

Revenue for providing these services are recognised in the accounting period in which the services are provided. Each of the services are a separate performance obligation. Fees and subscription are recognised over time as the service is provided while all other revenue are recognised at a point in time.

## 2.3 Critical accounting estimates and judgements

The preparation of the Institute's historical financial statements in accordance with IFRSs requires the use of certain accounting estimates which, by definition, will seldom equal the actual results. Management also exercises judgement and assumptions in applying the Institute's accounting policies.

This note provides an overview of the areas that involve a higher degree of judgement or complexity, and major sources of estimation uncertainty that have a significant risk of resulting in a material adjustment within the next financial year. Detailed information about each of these estimates and judgements is included in the related notes together with information about the basis of calculation for each affected line item in the financial statements.

### Estimates and assumptions

The key assumptions concerning the future and other key sources of estimation uncertainty at the reporting date that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are described below. The Institute based its assumptions and estimates on parameters available when the financial statements were prepared. Existing circumstances and assumptions about future developments may change due to market changes or circumstances arising that are beyond the control of the Institute. Such changes are reflected in the assumptions when they occur.

## 2.3 Critical accounting estimates and judgements (Cont'd)

### (a) Critical estimates

#### Estimates applied in measuring the expected credit loss allowance

The measurement of the expected credit loss allowance for financial assets measured at amortized cost and FVOCI is an area that requires the use of complex models and significant assumptions about future economic conditions and credit behaviour (e.g. the likelihood of customers defaulting and the resulting losses). Explanation of the inputs, assumptions and estimation techniques used in measuring ECL is further detailed in note 3.2 which also sets out key sensitivities of the ECL to changes in these elements.



## (b) Critical judgements

### i Judgements applied in measuring the expected credit loss allowance

A number of significant judgements are also required in applying the accounting requirements for measuring ECL, such as:

- Determining criteria for significant increase in credit risk;
- Choosing appropriate models and assumptions for the measurement of ECL;
- Establishing the number and relative weightings of forward-looking scenarios for each type of product/market and the associated ECL; and
- Establishing groups of similar financial assets for the purposes of measuring ECL.

### ii Judgements applied in recognising revenue from contracts with customers

The Institute applied the following judgements that significantly affect the determination of the amount and timing of revenue from contracts with customers:

#### Definition of Customers

A customer is a party that has contracted with the institute to use the profession membership license issued by the institution or become a member of the institution.

The contracts between the Institution and its customers have commercial substance, and both parties have the intent and ability to uphold their respective obligations.

#### Identification of performance obligation

The identification of performance obligations is a crucial part in determining the amount of consideration recognised as revenue. This is because revenue is only recognised at the point or over the period in which the performance obligation is fulfilled. At inception, the institute assesses the services promised in the contract with a customer to identify the performance obligations.

The performance obligation of the institute to its members is the provision of membership and practicing licences to its members.

#### Timing of revenue recognition

Membership subscription which includes faculty, licences and membership subscriptions are recognised over time as the service is provided while all other streams like **examination** fees, organisation of conferences and courses and sale of stamps and seals are recognised at a point in time.

Estimates of revenues or extent of progress toward completion are revised if circumstances change. Any resulting increases or decreases in estimated revenues are reflected in profit or loss in the period in which the circumstances that give rise to the revision become known by management

#### Collectability assessment on whether consideration is probable

The Institute has applied judgement in assessing whether collectability is probable. For membership subscription, the Institute has assessed that collectability is probable for only members that have been active within the last three (3) years. This means that even though these active members may not have paid the membership fees for or in the current period, the likelihood of payment is more than 50%. This pattern of revenue recognition aligns with the Institutes recent stance to delist all members that have not been active after 3 years. Delisting signifies a break in contract between the institute and delisted members. Therefore, no revenue is recognised for delisted members.

This judgement has been applied prospectively in accordance with IAS 8.

If revenue was recognised based only on cash receipts from members, profit/loss would have been N192m higher during the year.



## 3. SIGNIFICANT ACCOUNTING POLICIES

### 3.1.1 Dividend income

Dividend income from investment is recognised when the Institute's right to receive payment is established.

### 3 Significant accounting policies (Cont'd)

### 3.1.2 Investment income

Investment income is recognised in the statement of comprehensive income as it accrues by using the effective interest rate method. Fees and commission that are integral part of the effective yield of the financial asset or liabilities are recognised as adjustment to the effective interest rate of the financial instrument.

### 3.1.3 Rental income

Rental income relates to income from the use of Amuwo Odofin building for social activities and rent collected from Akintola Williams House, Abuja. Both **properties** are classified as investment property. Rental income is recognised on an accrual basis.

### 3.1.4 Donations to the Institute

The Institute receives donations from its members and other stakeholders, which are generally non-reciprocal transfers, involve transfers from entities other than the owners and these contributions are voluntary. These donations whether cash or asset (e.g. Property, Plant and Equipment) shall be recognised as income in the period it is received or receivable when and only when all the following conditions have been satisfied:

- (a) There is irrevocable commitment from the donor to the Institute
- (b) It is probable that the economic benefits arising from the donation will flow to the Institute and
- (c) The amount of the donation can be measured reliably.

#### Donations by the Institute to institutions and others

The Institute from time to time as a way to increase its awareness among Nigerian students which in turn would increase students' **enrollment** of its examination and as part of its corporate social responsibility (CSR) donates by way of non-reciprocal transfers in form of cash and/or assets (e.g. property, plant and equipment). In either way donation by cash or asset shall be accounted in the Institute's financial statement as follows;

- (a) Donation by way of cash transfers shall be expensed during the year
- (b) Donations by way of assets- On completion this will be capitalised to the property, plant and equipment accounts and subjected to a depreciation rate of 25 % (four years) before being fully handed over to the recipients.

### 3.1.5 Inventories

Inventories are stated at the lower of cost and net realisable value after making adequate provision for obsolescence and damaged items. Cost comprises suppliers' invoice, prices and other costs **incurred** to bring the stocks to its present location and condition. Cost is determined using the first-in, first-out (FIFO) method.



## 3.1.6 Investment properties

Investment property are property held to earn rentals and/or for capital appreciation (including property under construction for such purposes). Investment property are measured initially at cost, including transaction costs. Subsequent to initial recognition, investment property are measured at fair value and it is the Institute's policy to perform this every three years as this will result in a more appropriate subsequent measurement at fair value. Gains or losses arising from changes in the fair value of investment property are included in statement of comprehensive income in the period in which they arise.

An investment property is derecognised upon disposal or when the investment property is permanently withdrawn from use and no future economic benefits are expected from the disposal. Any gain or loss arising on derecognition of the property (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is included in profit or loss in the period in which the property is derecognised.

## 3.1.7 Property, plant and equipment

All categories of property plant and equipment are stated initially at historical cost less depreciation. Historical cost includes expenditure that is directly attributable to the acquisition of the assets. Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Institute and the cost of the item can be measured reliably. The carrying amount of the replaced part is derecognised. All other repairs and maintenance are charged to the income statement during the financial period in which they are incurred.

## 3.1.8 Depreciation

Depreciation of assets commences when assets are available for use. Depreciation is provided on all property, plant and equipment, other than leasehold land which is not depreciated, at rates calculated to write-off the cost or valuation, of each asset on a straight-line basis over its expected useful life, as follows:

- Freehold property - Not depreciated
- Buildings - 2%
- Lecture theatres - 25%
- Motor vehicles - 33%
- Office furniture and fittings - 25%
- Computer hardware equipment - 25%
- Plant and machinery - 25%
- Library books - 25%

## 3 Significant accounting policies (Cont'd)

## 3.1.9 Impairment of financial assets

At each balance sheet date, the Institute reviews the carrying amounts of its financial assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any). Where it is not possible to estimate the recoverable amount of an individual asset, the Institute estimates the recoverable amount of the cash-generating unit to which the asset belongs. An impairment loss is charged to the statement of comprehensive income immediately unless the asset is carried at its revalued amount. Any impairment loss of a revalued asset is treated as a revaluation decrease to the extent of a previously recognised revaluation surplus for the same asset.



## 3.1.10 Intangible assets and impairment

Expenditure on research activities is recognised as an expense in the period in which it is incurred. A separately acquired intangible assets arising from ICAN's development projects is recognised only if all the following conditions are met:

- i. it is technically feasible to complete the product so that it will be available for use,
- ii. the intention is to complete the product for internal use or to sell it,
- iii. it is probable that the asset created will generate future economic benefits, and
- iv. the development cost of the asset can be measured reliably.

Where no separately acquired intangible asset can be recognised, development expenditure is recognised as an expense in the period in which it is incurred. Directly attributable costs that are capitalised include development project consultant costs and an appropriate portion of relevant overheads. Development expenditures previously recognised as an expense are not recognised as an asset in a subsequent period. Separately acquired intangible assets are amortised over their estimated useful lives, which are usually no more than five years. Amortisation begins when the intangible asset is available for use.

### Impairment of non-financial assets

Intangible assets which are subject to amortisation are reviewed for impairment whenever events or changes in circumstances indicate that the carrying value may not be recoverable. An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less costs to sell and value in use.

## 3.1.11 Foreign currency translation

For the purpose of these financial statements, the results and financial position of the Institute are expressed in Naira, which is the functional currency of the Institute, and the presentation currency for the financial statements.

### Transactions and balances

Foreign currency transactions are translated into the functional currency using the exchange rates prevailing at the dates of the transactions. Foreign exchange gains and losses resulting from the settlement of foreign currency transactions and from the translation at exchange rates of monetary assets and liabilities denominated in currencies other than the Institute's functional currency are recognized in Statement of comprehensive income within other income. Monetary items denominated in foreign currency are translated using the closing rate as at the reporting date.

## 3.1.12 Defined contribution plan

The Institute operates a defined contribution based retirement benefit scheme for its staff, in accordance with the Pension Reform Act of 2014 with employee contributing 10% and employer contributing 10% each of the employee's relevant emoluments. Payments to defined contribution retirement benefit plans are recognised as an expense when employees have rendered the service entitling them to the contributions.

## 3.1.13 Contract assets/liabilities

Subscriptions, interest and conference incomes received in advance are deferred to the period it relates. Interest expenses paid in advance on car loans to staff using **effective** interest rate is deferred to the period it relates.

## 3.1.13 Provisions

Provisions are recognised when the Institute has a present obligation (legal or constructive) as a result of a past event, it is probable that the Institute will be required to settle the obligation, and a reliable estimate can be made of the amount of the obligation.



# NOTES TO THE FINANCIAL STATEMENTS

The amount recognised as a provision is the best estimate of the consideration required to settle present obligation at the end of the reporting period, taking into account the risks and uncertainties surrounding the obligation. When a provision is measured using the cash flows estimate to settle present obligation, its carrying amount is the present value of those cash flows (when the effect of the time value of money is material).

When some or all of the economic benefits required to settle a provision are expected to be recovered from a third party, a receivable is recognised as an asset if it is virtually certain that reimbursement will be received and the amount of the receivable can be measured reliably.

## 3.2 Financial risk management

### 3.2.1 Introduction and overview of the Institute's risk management

This note presents information about the Institute's exposure to financial risks and the Institute's management of capital.

#### Credit risk

Credit risk is the risk of suffering financial loss, should any of the Institute's members, students or market counterparties fail to fulfil their contractual obligations to the Institute. Credit risk arises mainly from cash and cash equivalents, membership subscription receivables and credit exposures to other parties (i.e. other receivables).

Credit risk is the single largest risk for the Institute's business, management therefore carefully manages its exposure to credit risk.

#### (a) Credit risk management

The Institute's risk management policies are established to identify and analyse the risks faced by the Institute, to set appropriate risk limits and controls, to monitor risks and adherence to limits. The Institute regularly monitors and reviews its exposure with key banking and investment manager, suppliers and for deposits, only independently rated banks and financial institutions with a minimum rating of 'A' are used. The Institute's trade receivables relate substantially to members' and students' fees and subscriptions.

The maximum exposure to credit risk as at the reporting date is;

	Note	Maximum Exposure	
		31 December 2019 N'000	31 December 2018 N'000
Financial assets at amortised cost	17	43,215	41,950
Other financial assets at amortised cost:			
Members subscription receivable	30	309,758	722,309
Other receivables	19	161,225	156,319
Cash and cash equivalent	22	1,289,605	494,787
<b>Total assets bearing credit risk</b>		<b>1,760,588</b>	<b>1,373,415</b>

#### Financial assets at amortised cost

The financial assets include staff loans and advances, the institute assessed the balances as at December 2019, the balances were deemed to be insignificant.



# NOTES TO THE FINANCIAL STATEMENTS

## Membership subscription receivables

The Institute applies the IFRS 9 simplified approach in measuring the expected credit losses (ECL) which uses a lifetime expected loss allowance for all trade receivables. Trade receivables represent amounts receivable from a large number of customers spread across diverse industries.

The expected credit loss rate for this receivable is determined using a provision matrix. The provision matrix used is based on the Institute's historical default rates observed over the expected life of the receivable and is adjusted for forward-looking estimates.

### 31 December 2019

	Current N'000	30-120 days past due N'000	120-360 days past due N'000	More than 360 days past due N'000	Total N'000
Gross carrying amount	-	-	36,942	272,816	309,758
Default rate			41.03%	82.48%	
Lifetime expected ECL	-	-	(15,156)	(225,027)	(240,183)
Total	-	-	21,786	47,789	69,575

## 3.2 Financial risk management (Cont'd)

### 31 December 2018

	Current N'000	30-120 days N'000	120-360 days N'000	More than 360 N'000	Total N'000
Gross carrying amount	-	-	55,494	666,815	722,309
Default rate			65%	92%	
Lifetime expected ECL	-	-	(35,951)	(611,256)	(647,207)
Total	-	-	19,543	55,559	75,102

## Other receivables

This includes receivables from special projects, MCPE receivables and other debtors. The Institute applies the IFRS 9 general model for measuring expected credit losses (ECL). This requires a three-stage approach in recognising the expected loss allowance for financial assets held at maturity.

The ECL recognised for the period is a probability-weighted estimate of credit losses discounted at the effective interest rate of the financial asset. Credit losses are measured as the present value of all cash shortfalls (i.e. the difference between the cash flows due to the Fund in accordance with the contract and the cash flows that the Institute expects to receive).



# NOTES TO THE FINANCIAL STATEMENTS

	31 December 2019			
	Stage 1	Stage 2	Stage 3	Total
	12 months	Lifetime ECL	Lifetime ECL	
	ECL			
	N'000	N'000	N'000	N'000
Gross carrying amount	30,040	52,893	78,292	161,225
Loss allowance	(2,146)	(3,778)	(78,292)	(84,216)
Net EAD	27,894	49,115	-	77,009

	31 December 2018			
	Stage 1	Stage 2	Stage 3	Total
	12 months	Lifetime ECL	Lifetime ECL	
	ECL			
	N'000	N'000	N'000	N'000
Gross carrying amount	28,663	-	124,412	153,075
Loss allowance	(2,003)	-	(124,412)	(126,415)
Net EAD	26,660	-	-	26,660

## Roll forward movement in loss allowance

The loss allowance recognised in the period is impacted by a variety of factors, as described below:

- Additional allowances for new financial instruments recognised during the period, as well as releases for financial instruments derecognised in the period;
- Discount unwind within ECL due to passage of time, as ECL is measured on a present value basis;
- Financial assets derecognised during the period and write-off of receivables and allowances related to assets.

The following tables explain the changes in the loss allowance between the beginning and end of the annual period due to these factors:

	Stage 1	Stage 2	Stage 3	Total
	ECL	Lifetime ECL	Lifetime ECL	
Loss allowance as at 1 January 2019	2,003	-	124,412	126,415
Movements with profit or loss impact				
New financial assets originated or purchased	369	4,078	(46,120)	(41,673)
Derecognised financial assets	-	-	-	-
Unwind of discount	(226)	(300)	-	(526)
profit or loss	143	3,778	(46,120)	(42,199)
Loss allowance as at 31 December 2019	2,146	3,778	78,292	84,216

## Credit risk exposure

The table below contains an analysis of the credit risk exposure of financial instruments for which an ECL allowance is recognised using the general model. The gross carrying amount of financial assets below also represents The Institute's maximum exposure to credit risk on these assets.

# NOTES TO THE FINANCIAL STATEMENTS

## 3.2 Financial risk management (Cont'd)

### (i) Other receivables

	31 December 2019	31 December 2019	31 December 2019	31 December 2019	31 December 2018
	Stage 1	Stage 2	Stage 3	Total	Total
	12-month ECL N'000	Lifetime ECL N'000	Lifetime ECL N'000	N'000	N'000
Speculative grade	30,040	52,893	-	82,933	28,663
Default	-	-	78,292	78,292	124,412
<b>Gross carrying amount</b>	30,040	52,893	78,292	161,225	153,075
Loss allowance	(2,146)	(3,778)	(78,292)	(84,216)	(126,415)
<b>Carrying amount</b>	27,894	49,115	-	77,009	26,660

### b) Measuring ECL- Explanation of inputs, assumptions and estimation techniques

The Expected Credit Loss (ECL) is measured on either a 12-month (12M) or Lifetime basis depending on whether a SICR has occurred since initial recognition or whether an asset is considered to be credit-impaired. ECLs are the discounted product of the Probability of Default (PD), Exposure at Default (EAD), and Loss Given Default (LGD), defined as follows:

- The PD represents the likelihood of a party defaulting on its financial obligation (as per "Definition of default and credit-impaired") either over the next 12 months (12M PD), or over the remaining lifetime (Lifetime PD) of the obligation.
- EAD is based on the amounts the Institute expects to be owed at the time of default, over the next 12 months (12M EAD) or over the remaining lifetime (Lifetime EAD).
- Loss Given Default (LGD) represents the Institute's expectation of the extent of loss on a defaulted exposure. LGD varies by type of counterparty, type and seniority of claim and availability of collateral or other credit support. LGD is expressed as a percentage loss per unit of exposure at the time of default (EAD). LGD is calculated on a 12-month or lifetime basis, where 12-month LGD is the percentage of loss expected to be made if the default occurs in the next 12 months and Lifetime LGD is the percentage of loss expected to be made if the default occurs over the remaining expected lifetime of the loan.

The ECL is determined by projecting the PD, LGD and EAD for each future month and for each individual exposure or collective segment. These three components are multiplied together and adjusted for the likelihood of survival (i.e. the exposure has not prepaid or defaulted in an earlier month). This effectively calculates an ECL for each future month, which is then discounted back to the reporting date and summed. The discount rate used in the ECL calculation is the original effective interest rate or an approximation thereof.

### c) Estimation uncertainty in measuring impairment loss

In establishing sensitivity to ECL estimates for membership subscription receivables, other receivables and cash and cash equivalents, four variables (GDP growth rate, unemployment rate, Inflation and US exchange rate) were considered. The Institute's receivables portfolio reflects greater responsiveness to GDP growth rate and inflation rates.

The tables below shows information on the sensitivity of the carrying amounts of the Institute's financial assets to the methods, assumptions and estimates used in calculating impairment losses on those financial assets at the end of the reporting period. These methods, assumptions and estimates have a significant risk of causing material adjustments to the carrying amounts of the Institute's financial assets.



# NOTES TO THE FINANCIAL STATEMENTS

In establishing sensitivity to ECL estimates for membership subscription receivables, other receivables and cash and cash equivalents, four variables (GDP growth rate, unemployment rate, Inflation and US exchange rate) were considered. The Institute's receivables portfolio reflects greater responsiveness to GDP growth rate and inflation rates.

The tables below shows information on the sensitivity of the carrying amounts of the Institute's financial assets to the methods, assumptions and estimates used in calculating impairment losses on those financial assets at the end of the reporting period. These methods, assumptions and estimates have a significant risk of causing material adjustments to the carrying amounts of the Institute's financial assets.

## Sensitivity of estimates used in IFRS 9 ECL

In establishing sensitivity to ECL estimates, the Institute's membership subscription receivables and other receivables reflect greater responsiveness to GDP growth rate and inflation rates.

The table below shows information on the sensitivity of the carrying amounts of the receivables to the assumptions and estimates used in calculating impairment losses at the end of the reporting period.

### a) Simplified approach:

Expected cash flow recoverable from membership subscription receivables:

The table below demonstrates the sensitivity to a 10% change in the expected cash flows from membership subscription receivables, with all other variables held constant:

	Effect on Surplus/ loss 2019 N'000	Effect on Surplus/ loss 2018 N'000
(Increase)/decrease in estimated cash flows		
+10%	24,018	70,277
-10%	(24,018)	(70,277)

## 3.2 Financial risk management (Cont'd)

### Sensitivity to macroeconomic variables

This table shows the sensitivity of the expected credit loss to a 10% inverse and positive change to each forward-looking macro variables, with all other variables held constant:

		2019 GDP Growth Rate Held constant		
		10% N'000	-10% N'000	-10% N'000
Inflation rate	10%	16,820	(32)	(16,884)
	Held constant	16,852	-	16,852
	-10%	16,884	32	(16,820)

		2018 GDP Growth Rate Held constant		
		10% N'000	-10% N'000	-10% N'000
Inflation rate	10%	19,543	19,543	19,543
	Held constant	(465)	-	465
	-10%	(416,131)	(406,122)	(396,112)

# NOTES TO THE FINANCIAL STATEMENTS

## b) General approach - Other receivables

### Significant unobservable inputs

The table below demonstrates the sensitivity to movements in the probability of default (PD) for financial assets classified as stage 1 and stage 2 financial assets, with all other variables held constant.

	Effect on Surplus/ loss 2019 N'000	Effect on Surplus/ loss 2018 N'000
(Increase)/decrease in estimated cash flows		
+10%	(592)	(192)
-10%	592	192

### Sensitivity to macroeconomic variables

This table shows the sensitivity of the expected credit loss to a 10% inverse and positive change to each forward-looking macro variables, with all other variables held constant:

### Sensitivity of estimates used in IFRS 9 ECL

		2019		
		GDP Growth Rate Held constant		
		10% N'000	N'000	-10% N'000
Inflation rate	10%	138	216	295
	Held constant	(78)	-	78
	-10%	(295)	(216)	(138)

		2018		
		GDP Growth Rate Held constant		
		10% N'000	N'000	-10% N'000
Inflation rate	10%	73	98	124
	Held constant	(26)	-	26
	-10%	(124)	(98)	(73)



## 3.2 Financial risk management (Cont'd)

### 3.2.3 Liquidity risk

Liquidity risk arises from Institute's management of working capital. It is the risk that the Institute will encounter difficulty in meeting its financial obligations as they fall due. The Institute manages its liquidity risk by ensuring that it has adequate fund. The Institute receives the majority of its income as subscriptions in the first quarter of the year, or as examination fees, exemption fees, relating to two examination sessions each year. Cash not required for short-term operating purposes is invested to maximise return with an acceptable level of risk. In addition to its own bankers, the Institute uses specialist investment advisers to invest cash surpluses with major banks of suitable credit standing to spread the risk, a maximum of 20% obligor limit is maintained per bank. Cash surpluses are invested in interest bearing fixed and call financial instrument and Federal Government Treasury Bills. At the balance sheet date the Institute held N267 million (2018: N225 million) in term deposits, N520 million (2018: N100 million) in Treasury Bills and N499million (2018: N147 million) in call accounts. Liquidity is managed to ensure investments are liquidated in a timely manner to meet operating requirements.

### 3.2.4 Market risk

Market risk arises from Institute's use of interest bearing, tradable and financial instruments. It is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in the interest rates (interest rate risk), foreign exchange rates (currency risk) or other market factors (other price risk).

Interest rate risk relates to the risk of loss due to fluctuations in both cash flows and the fair value of financial assets and liabilities due to change in market interest rates. The Institute invests surplus cash in the short-term and in doing so exposes itself to the fluctuation in interest rates that are inherent in such a market.

Currency risk relates to the risk that the fair value of future cash flows of financial instruments will fluctuate because of changes in foreign exchange risk. The Institute operates nationally and internationally in affiliation with foreign professional bodies such as IFAC, ABWA and PAFA. It also has foreign District Societies: (USA, Cameroun, Malaysia and UK) and is exposed to foreign currency exchange risk arising from the transfer of foreign currency to these bodies. The Institute mitigates the risk with regards to income because all fees and subscriptions charged by it are in Naira. At the balance sheet date 100% of the Institute's cash and cash equivalents were held in various Nigeria banks (2018: 100%).

Other price risk relates to the risk of changes in market prices of the available-for-sale investments. The Institute invests surplus cash in a managed fund operated by fund managers and in doing so exposes itself to the fluctuations in price that are inherent in such a market. The Institute's Finance and General Purposes Committee has given Fund Managers discretionary management of the funds.

The table below demonstrates the sensitivity to a 10% change in the expected cash flows from equity investments, with all other variables held constant:

	Effect on equity	Effect on
	2019	2018
	N'000	N'000
(Increase)/decrease in estimated cash flows		
+10%	5.927	13.875
-10%	(5,927)	(13,875)

### 3.2.4 Trade payables

Trade payables classified as financial liabilities are initially measured at fair value, and are subsequently measured at amortised cost, using the effective interest rate method. Other payables that are within the scope of IAS 39 are subsequently measured at amortized cost. Others are measured in respect to their applicable standards.

## 3.2.5 Investment risk

Budgets are prepared on a prudent basis and income from investments is not relied on for ICAN's ongoing activities. Investments are reviewed on a regular basis.

## 3.2.6 Capital

The Institute considers its capital to be its accumulated and charitable and trust funds and fair value reserve. Council's financial objective is to generate a targeted operating position, to build and maintain reserves at a sustainable level, taking into account the various competitive risks. The Institute also aims to achieve additional long-term growth in reserves through the active management of the investment portfolio. A five-year financial plan has been developed which, over the period of the plan, targets an agreed level of accumulated fund. The Finance and General Purposes Committee reviews the financial position of the Institute at each committee meeting. The Institute is not subject to any material externally imposed capital requirements.

Other price risk relates to the risk of changes in market prices of the available-for-sale investments. The Institute invests surplus cash in a managed fund operated by fund managers and in doing so exposes itself to the fluctuations in price that are inherent in such a market. The Institute's Finance and General Purposes Committee has given Fund Managers discretionary management of the funds.



# NOTES TO THE FINANCIAL STATEMENTS

## 4. FEES & SUBSCRIPTION

### 4.1 Members:

Admission fees
Annual subscriptions
Practicing licence and renewal
Faculty registration and subscription
Re-admission fees
Registration of firms
Development levy
Graduate membership subscription

### 4.2 Professional students:

Subscriptions
Registrations
Exemption fees

### 4.3 ATS students:

Subscriptions
Registrations
Exemption fees

### Total fees and subscriptions

## 5a. OPERATING ACTIVITIES

### Qualifications and fellowship

Professional examinations
ATS examinations
Fellowship award conferment
New members' induction

### Regulation, education and discipline

Faculties
MCPE

### Conferences and courses

Annual Accountants' conference
Annual dinner and Institute merit award
UK-USA-CANADA conference

### Publications and stamps

Institute members' seal and stamps
Students' study text

### Total operating activities

31 December 2019 N'000	31 December 2018 N'000
33,880	35,690
655,673	547,648
38,453	25,818
71,774	73,500
1,153	1,504
3,180	9,623
19,994	24,513
773	1,494
<b>824,880</b>	<b>719,790</b>
156,054	106,700
79,448	68,041
<b>423,573</b>	<b>349,750</b>
<b>659,075</b>	<b>524,491</b>
10,337	11,454
26,784	24,924
19,131	11,706
<b>56,252</b>	<b>48,084</b>
<b>1,540,207</b>	<b>1,292,365</b>
1,939,678	1,780,249
244,551	196,233
144,342	112,946
<b>231,665</b>	<b>216,263</b>
<b>2,560,236</b>	<b>2,305,691</b>
97,913	76,966
<b>249,191</b>	<b>229,566</b>
<b>347,104</b>	<b>306,532</b>
894,848	781,724
10,381	17,774
9,222	7,114
<b>914,451</b>	<b>806,612</b>
149,023	125,101
369	1,190
<b>149,392</b>	<b>126,291</b>
<b>3,971,183</b>	<b>3,545,126</b>

## 5b. OPERATIONAL EXPENDITURE

### Qualifications and fellowship

	31 December 2019 N'000	31 December 2018 N'000
Professional examinations	979,302	1,056,111
ATS examinations	244,500	231,730
Fellowship award conferment	28,434	35,125
New members' induction	79,219	107,595
	<b>1,331,455</b>	<b>1,430,561</b>

### Regulation, education and discipline

Faculties	72,107	58,565
MCPE	124,008	142,762
	<b>196,115</b>	<b>201,327</b>

### Conferences and courses

Annual Accountants' conference	546,263	474,165
Annual dinner and Institute merit award	22,733	18,489
UK-USA-CANADA conference	79,594	41,645
	<b>648,590</b>	<b>534,299</b>

### Publications and stamps

Institute members' seal and stamps	6,575	7,169
	<b>6,575</b>	<b>7,169</b>

### Total operational expenditure

	<b>2,182,735</b>	<b>2,173,356</b>
--	------------------	------------------

## 5c. ANALYSIS OF OPERATIONAL ACTIVITIES

### Period ended December 31, 2019

### Qualifications and fellowship

	GROSS INCOME N'000	GROSS EXPENDITURE N'000	NET INCOME / (EXPENDITURE) N'000
Professional examination	1,939,678	(979,302)	960,376
ATS examinations	244,551	(244,500)	51
Fellowship award conferment	144,342	(28,434)	115,908
New members' induction	231,665	(79,219)	152,446
	<b>2,560,236</b>	<b>(1,331,455)</b>	<b>1,228,781</b>

### Regulation, education and discipline

Faculties	97,913	(72,107)	25,806
MCPE	249,191	(124,008)	125,183
	<b>347,104</b>	<b>(196,115)</b>	<b>150,989</b>

### Conferences and courses

Annual Accountants' conference	894,848	(546,263)	348,586
Annual dinner and Institute merit award	10,381	(22,733)	(12,351)
UK-USA -CANADA conference	9,222	(79,594)	(70,373)
	<b>914,451</b>	<b>(648,590)</b>	<b>265,862</b>

### Publications and stamps

Institute members' seal and stamps	149,023	(6,575)	142,447
Students' study text	369	-	369
	<b>149,392</b>	<b>(6,575)</b>	<b>142,816</b>

### Total net surplus from operational activities

	<b>3,971,183</b>	<b>(2,182,735)</b>	<b>1,788,448</b>
--	------------------	--------------------	------------------



# NOTES TO THE FINANCIAL STATEMENTS

## 5d. ANALYSIS OF OPERATIONAL ACTIVITIES

Year ended December 31, 2018	GROSS INCOME N'000	GROSS EXPENDITURE N'000	NET INCOME / (EXPENDITURE) N'000
<b>Qualifications and fellowship</b>			
Professional examinations	1,780,249	(1,056,111)	724,138
ATS examinations	196,233	(231,730)	(35,497)
Fellowship award conferment	112,946	(35,125)	77,821
New members' induction	216,263	(107,595)	108,668
	<b>2,305,691</b>	<b>(1,430,561)</b>	<b>875,130</b>
<b>Regulation, education and discipline</b>			
Faculties	76,966	(58,565)	18,401
MCPE	229,566	(142,762)	86,804
	<b>306,532</b>	<b>(201,327)</b>	<b>105,205</b>
<b>Conferences and courses</b>			
Annual Accountants' Conference	781,724	(474,165)	307,559
Annual dinner and Institute merit award	17,774	(18,489)	(715)
UK-USA-CANADA conference	7,114	(41,645)	(34,531)
	<b>806,612</b>	<b>(534,299)</b>	<b>272,313</b>
<b>Publications and stamps</b>			
Institute members' seal and stamps	125,101	(7,169)	117,932
Students' study text	1,190	-	1,190
	<b>126,291</b>	<b>(7,169)</b>	<b>119,122</b>
<b>Total net surplus from operational activities</b>	<b>3,545,126</b>	<b>(2,173,356)</b>	<b>1,371,770</b>

## 6a. INVESTMENT INCOME

	31 December 2019 N'000	31 December 2018 N'000
Investment income	1,728	1,755
Rental income	50,805	48,017
	<b>52,533</b>	<b>49,772</b>

## 6b. OTHER INCOME

Income from sale of store items	2,909	2,988
Accreditation fees	2,102	3,571
Contractors' registration fees	2,131	2,173
Exchange (loss)/gains	-	1,000
Insurance commission	1,369	2,113
Advertisement income	915	603
Insurance claims	382	1,184
Profit on disposal of property, plant and equipment	884	8,428
Transcripts fees	26,062	14,812
E-Library/web service	66	59
SSPC management fee	922	1,536
University of Lagos-endowment fund	2,677	110
Reissue of certificate	222	458
Research seminar	2,982	2,855
Commission on advert	-	235
Hire of vehicles	160	110
Examination results/scripts	549	450
Change of name	795	543
Group internet	116	253
Replacement of ID cards/others	3,490	284
Entrepreneur seminar	-	2,288
Investment Property Revaluation	77,000	-
Donations received	13,146	-
Subscription arrears received		
	<b>138,878</b>	<b>46,053</b>

## 6c. INTEREST INCOME

Interest income from bank deposit and treasury bills	30,824	42,210
--	--------	--------

# NOTES TO THE FINANCIAL STATEMENTS

## 7. INTERNATIONAL AFFILIATION COSTS

### IFAC:

Subscription	
Travelling and other meeting expenses	

### ABWA:

Subscription	
Travelling and other meeting expenses	

### PAFA:

Subscription	
Travelling and other meeting expenses	

### Chartered Accountants Worldwide

Subscription	
African Congress of Accountants expenses	

### Total International affiliation costs

## 8. DEPRECIATION AND AMMORTISATION

Depreciation of property, plant and equipment	
Amortisation of intangible asset	

## 9. GENERAL AND ADMINISTRATIVE EXPENSES

General repairs and maintenance	
Council and committee meeting expenses	
Annual general meeting expenses	
Insurance	
Local and overseas tours and other activities	
Co - ordination of district societies	
Subscription and donations	
Advertisements and publicity	
Printing, photocopy and stationery	
Telephone and postages	
Vehicle running costs	
Travelling expenses	
Library expenses	
Refreshment at meetings	
Loss on currency translation	
Computer expenses	
Audit fees	
Bank charges	
Exchange (loss)/gains	
Receivable write-off	
Other expenses	

## 10. PERSONNEL COST

Basic salary	
Defined contribution costs	
Other allowances and related costs	

31 December 2019 N'000	31 December 2018 N'000
26,085	29,107
35,621	34,724
<b>61,706</b>	<b>63,831</b>
26,111	24,446
13,630	24,108
<b>39,741</b>	<b>48,554</b>
38,187	27,465
20,062	29,613
<b>58,249</b>	<b>57,078</b>
5,385	2,012
22,762	-
<b>187,843</b>	<b>171,475</b>
244,859	219,453
12,374	12,370
<b>257,233</b>	<b>231,823</b>
108,853	121,321
107,227	146,438
37,169	29,456
28,779	27,641
126,781	175,698
74,494	103,482
47,369	36,585
16,305	30,729
14,701	25,693
64,910	64,096
58,990	63,292
75,507	69,162
10,047	15,449
36,846	35,888
-	2,980
28,301	15,229
13,000	13,000
13,150	11,063
2,663	-
230,010	-
16,005	13,951
<b>1,111,107</b>	<b>1,001,153</b>
411,611	390,693
63,427	64,961
571,955	516,965
<b>1,046,993</b>	<b>972,619</b>



# NOTES TO THE FINANCIAL STATEMENTS

## 11a. OTHER OPERATIONAL EXPENDITURE

	31 December 2019 N'000	31 December 2018 N'000
Contribution to students special project (SSP)	24,089	20,466
Institute members' welfare scheme	53,611	38,073
Professional charges	45,501	46,037
Accreditation and visitation expenses	27,087	23,975
Catch Them Young awareness programme	29,872	29,403
Scholarship Scheme	18,730	29,220
Education and training expenses	57,098	90,386
The Nigerian Accountant journal	2,720	7,628
Research grants and expenses	100,934	68,773
Subscription to professional bodies	7,956	5,519
Research journal	7,723	13,218
ICAN students' journal	689	1,082
Syllabus review	41,206	41,342
Entrepreneur Scheme	-	3,846
Prizes-Students	2,364	2,874
World Congress of Accountants	-	96,183
	<b>419,580</b>	<b>518,025</b>

## 11b. IMPAIRMENT CHARGES

Impairment (reversal)/charges on other receivables (Note 19.1)	(42,199)	18,470
Impairment (reversal)/charges on members subscription receivables (Note 30)	(407,024)	64,784
	<b>(449,223)</b>	<b>83,254</b>

## 12. ACTIVITIES RESULT

The activities result includes the following:

### a. Salaries and related costs

The costs of employing staff during the year were as follows:

Staff costs	411,611	390,693
Defined contribution costs	63,427	64,961
Other allowances	571,955	516,965
	<b>1,046,993</b>	<b>972,619</b>

### b. Depreciation and amortisation

Depreciation of property, plant and equipment

Depreciation of property, plant and equipment	244,859	219,453
Amortisation of intangible asset	12,374	12,370
	<b>257,233</b>	<b>231,823</b>

### c. Auditors' remuneration

Fee payable to joint auditors	<b>13,000</b>	<b>13,000</b>
-------------------------------	---------------	---------------

# NOTES TO THE FINANCIAL STATEMENTS

## 13. PROPERTY PLANT & EQUIPMENT

	Land	Buildings	Motor vehicles	Plant and machinery	Furniture and equipment	Library books	Lecture theatres	Work-In-Progress	Total
Cost	N'000	N'000	N'000	N'000	N'000	N'000	N'000	N'001	N'000
<b>Balance at 1 January 2018</b>	26,203	740,532	295,495	75,556	554,565	53,558	319,964	-	2,065,873
Additions	-	9,827	198,923	-	60,315	1,446	34,308	9,478	314,297
Disposals	-	-	(55,935)	-	-	-	-	-	(55,935)
<b>Balance at 31 December 2018</b>	26,203	750,359	438,483	75,556	614,880	55,004	354,272	9,478	2,324,235
<b>Balance at 1 January 2019</b>	26,203	750,359	438,483	75,556	614,880	55,004	354,272	9,478	2,324,235
Additions	-	3,201	85,095	72,321	52,937	2,487	10,333	56,679	283,053
Disposals	-	-	(48,090)	-	-	-	-	-	(48,090)
<b>Balance at 31 December 2019</b>	26,203	753,560	475,488	147,877	667,817	57,491	364,605	66,157	2,559,198
<b>Accumulated depreciation</b>									
<b>Balance at 1 January 2018</b>	-	170,196	278,206	75,549	403,212	36,470	164,462	-	1,128,095
Depreciation charge for the year	-	13,452	57,095	2	64,559	5,634	78,711	-	219,453
Disposals	-	-	(55,935)	-	-	-	-	-	(55,935)
<b>Balance at 31 December 2018</b>	-	183,648	279,366	75,551	467,771	42,104	243,173	-	1,291,613
<b>Balance at 1 January 2019</b>	-	183,648	279,366	75,551	467,771	42,104	243,173	-	1,291,613
Depreciation charge for the year	-	13,669	73,534	4,525	74,223	6,550	72,358	-	244,859
Disposals	-	-	(31,688)	-	-	-	-	-	(31,688)
<b>Balance at 31 December 2019</b>	-	197,317	321,212	80,076	541,994	48,654	315,531	-	1,504,784
<b>Net carrying amount</b>									1,032,622
<b>At 31 December 2018</b>	26,203	566,711	159,117	5	147,109	12,900	111,099	9,478	1,032,621
<b>Balance at 31 December 2019</b>	26,203	556,243	154,276	67,801	125,823	8,837	49,074	66,157	1,054,414



# NOTES TO THE FINANCIAL STATEMENTS

## 14. INTANGIBLE ASSETS

	31 December 2019 N'000	31 December 2018 N'000
<b>Cost</b>		
Balance at 1 January	78,667	78,667
Balance at 31 December	<b>78,667</b>	<b>78,667</b>
<b>Accumulated amortisation and impairment</b>		
Balance at 1 January	66,293	53,923
Amortisation for the year	12,374	12,370
Balance at 31 December	<b>78,667</b>	<b>66,293</b>
<b>Net carrying Amount:</b>		
Balance at 31 December	<b>-</b>	<b>12,374</b>

Intangible assets relate to separately incurred development costs on student study text.

## 15. INVESTMENT PROPERTY

Akintola Williams building, Abuja	871,000	831,000
Awuwo-Odofin building, Lagos	844,000	807,000
	<b>1,715,000</b>	<b>1,638,000</b>
Balance at 1 January 2019	1,638,000	1,638,000
Gains during the year	77,000	-
Balance at 31 December 2019	<b>1,715,000</b>	<b>1,638,000</b>

The investment valuation was carried out by Ubosi Eleh + Co. is a firm of Estate Surveyors & Valuers registered in Nigeria in accordance with the rules and regulations of the Nigerian Institution of Estate Surveyors and Valuers (NIESV)

Investment properties are valued every three years in accordance with the Institute's policy. The Abuja property is managed by Jide Taiwo & Co. Income generated from both property in 2019 was N51m (2018: N48m). The Institute is only occupying about 10% of the property.

## 16. FINANCIAL ASSETS FVOCI

<i>Quoted investments:</i>		
<b>At 1 January</b>	<b>59,274</b>	<b>138,757</b>
	-	-
Disposal	(6,405)	(30,135)
Profit(loss)/profit charged to other comprehensive income	(7,827)	(49,348)
<b>At 31 December</b>	<b>45,042</b>	<b>59,274</b>
Historical cost of tradable investments	68,576	74,981

Financial assets FVOCI (previously called Available-for-sales investment) are fair valued annually at the close of business on the date of the financial position. Wherever possible, fair value is determined by reference to stock exchange quoted bid prices. Financial assets FVOCI are classified as non-current assets unless they are expected to be realised within twelve months of the balance sheet date.

Financial assets FVOCI are denominated in Naira. The Institute monitors its exposures by way of regular reports from the Fund managers who have discretionary management of the investment portfolio. None of these financial assets are impaired.

The institute disposed of some of its investment in, as this investment no longer suited the group's investment strategy. The shares sold had a fair value of N6.4million and at the time of the sale

# NOTES TO THE FINANCIAL STATEMENTS

## 17a. FINANCIAL ASSETS AT AMORTISED COST

Staff loans	37,643	38,578
Staff advances	5,572	3,372
Owerri district society	-	840
Minna district society	-	1,000
Ilorin district society	-	2,739
Impairment allowance for doubtful Owerri & Ilorin District Society	-	(4,579)
	<b>43,215</b>	<b>41,950</b>

## 17b. FINANCIAL ASSETS AT AMORTISED COST

	<b>N'000</b>	<b>N'000</b>
Non Current	5,572	18,575
Current	37,643	23,375
	<b>43,215</b>	<b>41,950</b>

The non-current Financial assets at amortised cost (formerly called loan and receivables) represents the long term portion of the car loans granted to staff.

## 18. INVENTORIES

	<b>31 December 2019 N'000</b>	<b>31 December 2018 N'000</b>
Stationery	13,237	16,831
Electrical parts	672	47
Diesel	3,343	1,452
Students' study text	243,044	68,609
Others sellable items	28,650	21,141
50th Anniversary Book	10,437	11,910
	<b>299,383</b>	<b>119,990</b>

## 19. OTHER RECEIVABLES

	<b>31 December 2019 N'000</b>	<b>31 December 2018 N'000</b>
Bayelsa ICAN Students' Special Project (SSP)	12,218	12,218
NNDC/ICAN Students' Special Project (SSP)	52,893	52,694
Cross River/ICAN Students' Special Project (SSP)	9,703	9,703
Gombe State/ICAN Students' Special Project (SSP)	35,666	33,377
MCPE receivables	6,990	12,570
Federal Treasury Academy	10,255	10,255
Heritage Capital	4,281	-
University of Lagos-endowment fund	18,769	16,093
Other debtors (Heritage Capitals)	5,544	6,165
Owerri district society	840	-
Minna district society	1,000	-
Ilorin district society	3,066	-
Impairment allowance for doubtful receivables	(84,216)	(126,415)
	<b>77,009</b>	<b>26,660</b>

Impairment allowance of N84.2 million includes provision for Federal Treasury Academy, district societies and receivables from students' special projects.



# NOTES TO THE FINANCIAL STATEMENTS

## 19a. OTHER RECEIVABLES

Other receivables	161,225	153,075
Impairment on other receivables	(84,216)	(126,415)
Net other receivables	<b>77,009</b>	<b>26,660</b>

## 19a. RECONCILIATION OF OTHER RECEIVABLES

	2019 N'000	2018 N'000
At 1 January	153,075	135,539
Additions during the year	27,313	23,998
Receipts for the year	(19,163)	(6,472)
Gross carrying amount	161,225	153,075
Less impairment provision	(84,216)	(126,415)
<b>At 31 December</b>	<b>77,009</b>	<b>26,660</b>

## 19a. RECONCILIATION OF IMPAIRMENT ALLOWANCE ON OTHER RECEIVABLES

Loss allowance as at 1 January	(126,415)	(107,946)
Reversal/(Increase) in expected credit loss	42,199	(18,469)
<b>Loss allowance as at 31 December</b>	<b>(84,216)</b>	<b>(126,415)</b>

There was a reversal of impairment of N42.2 million, which is because the institute recovered some amount in the

## 20. PREPAYMENT

Group life insurance - ICAN members	28,467	9,619
Group life insurance - ICAN staff & council	14,817	13,893
Motor vehicle, fire and burglary insurance	4,696	3,114
Annual Accountants' conference - Hall	12,420	12,474
Annual Dinner - Hall	5,000	5,000
ABWA	-	6,631
ATS pool setting/harmonisation	9,897	29,690
Examination e-marking and syllabus	-	31,277
	<b>75,297</b>	<b>111,698</b>

## 21. DEFERRED EXPENSES

At 1 January	4,371	5,178
Charge for the year	(960)	(807)
<b>At 31 December</b>	<b>3,411</b>	<b>4,371</b>

Deferred expenses represent unamortised balance at the reporting date of the difference between the initial amount disbursed and fair value of car loans to staff.

## 22. CASH AND CASH EQUIVALENTS

Treasury bills	519,782	98,825
Dedicated funds - Bank deposit	266,653	244,817
Other short term bank deposit	498,886	147,435
Cash at bank and in hand	4,284	3,710
	<b>1,289,605</b>	<b>494,787</b>

The effective interest rate on short term bank deposits was 2019: 9.3% (2018: 12.5%)

# NOTES TO THE FINANCIAL STATEMENTS

## 23. EMPLOYEES

The average number of persons employed by the Institute during the period was as follows:

	31 December 2019 Number	31 December 2018 Number
Senior managers and directors	46	34
Managers and junior staff	154	152
	<u>200</u>	<u>186</u>
<b>Staff cost</b>	<b>31 December 2019 N'000</b>	<b>31 December 2018 N'000</b>
Wages and salaries	983,566	907,658
Pension costs	63,427	64,961
	<u>1,046,993</u>	<u>972,619</u>

### Remuneration of key management personnel (KMP)

The Registrar/Chief Executive is the key management personnel (KMP) of the Institute. He has responsibility for implementing Council's policies and drives the secretariat in promoting the ICAN brand. The KMP has no business

### Registrar/Chief Executive:

Short-term employee benefits	22,340	22,340
	<u>22,340</u>	<u>22,340</u>

The number of employees of the Institute whose total earnings were more than N300,000 in the year was;

	Number	Number
N300,000 To N900,000	13	11
N 900,001 To N1,000,000	7	5
N 1,000,001 To N1,100,000	-	-
N 1,100,001 To N1,200,000	3	6
N 1,200,001 To N1,400,000	7	8
N 1,400,001 To N1,600,000	4	9
N 1,600,001 To N2,000,000	14	21
N 2,000,001 To N2,100,000	3	2
N 2,100,001 To N2,200,000	1	3
N 2,200,001 To N2,500,000	12	8
N 2,500,001 To N2,600,000	5	7
N 2,700,001 To N2,800,000	8	2
N 2,800,001 To N2,900,000	5	-
N 2,900,001 To N4,000,000	30	64
N 4,000,001 To N4,600,000	31	19
N 4,600,001 To N5,200,000	25	6
N 5,200,001 To N6,100,000	7	1
N 6,000,001 To N6,400,000	3	-
N 6,400,001 To N7,300,000	6	1
N 7,300,001 To N7,800,000	2	3
N 7,800,001 To N8,100,000	0	4
N 8,100,001 To N8,300,000	0	-
N8,300,001 To N9,400,000	1	2
N 9,400,001 To N9,500,000	3	-
N 9,500,001 To N10,100,000	3	1
N 10,600,001 To N10,700,000	1	-
N 10,900,001 To N11,600,000	0	2
N 11,600,001 To N12,900,000	0	-
N 12,900,001 and above	6	1
	<u>200</u>	<u>186</u>





# NOTES TO THE FINANCIAL STATEMENTS

## 24. ACCOUNTS PAYABLES

	31 December 2019 N'000	31 December 2018 N'000
Sundry payables	158,239	81,121
AAT account balance	19,116	21,411
Accrued expenses	172,358	183,788
	<b>349,713</b>	<b>286,320</b>

### 24a. SUNDRY PAYABLES

ICAN staff pension fund	5,894	18,032
Withholding tax (FIRS)/LIRS	29,271	11,289
Board of Internal Revenue/NASU	1,341	6,368
National Housing Fund	27,429	18,539
Akwa Ibom State Government	21,887	9,158
Onitsha District Society	-	13,146
Advance Interest	32,012	-
Conference income received in advance	7,070	4,184
Payable to districts	30,442	-
Others	2,893	405
	<b>158,239</b>	<b>81,121</b>

### 24b. ACCRUED EXPENSES

AAT outstanding bills	-	2,290
Examination processes	60,860	95,448
Audit fees	13,000	13,000
Insurance premium due	-	6,209
Insurance claims	4,693	7,763
Faculties expenses	-	3,980
Accountant conference	-	7,427
PAFA subscription	9,000	16,788
ABWA subscription	11,619	-
SSPC expenses	-	2,757
Staff promotion arrears	8,383	3,226
Refunds due to members - Canada conference	-	4,775
Sundry accrual	37,796	20,125
Exit package	27,007	-
	<b>172,358</b>	<b>183,788</b>

## 25. CONTRACT LIABILITIES

Subscription income	41,235	19,034
	<b>41,235</b>	<b>19,034</b>

Contract liabilities relates to subscriptions in advance received from members.

# NOTES TO THE FINANCIAL STATEMENTS

## 26. FUNDS

<b>a Accumulated fund</b>	<b>2,138,288</b>	<b>924,148</b>
<b>b Other charitable and trust funds:</b>		
Development fund	1,463,316	1,563,316
Accountancy research fund	145,469	145,469
Benevolent fund	251,634	225,018
Prizes fund	8,227	10,550
Student development and support fund	(66,928)	22,239
Study text revolving fund	232,443	394,305
Library fund	9,643	19,690
Tuition house support fund	50,000	-
Whistleblower fund	50,000	-
	<b>2,143,804</b>	<b>2,380,587</b>

## 27. THE ANALYSIS OF FUNDS AND OTHER RESERVES

### (a) Library Fund

The contribution to Library fund is to obtain all the resources needed for the use of the Institute's members. This is in line with the Council belief of the need to provide a befitting library facility to help students and members turn information into knowledge. This fund helps fill the gap by providing high quality library facility, necessary materials and equipment. 3% of the Institute's annual gross income is to be transferred to library development. No transfer were made in 2019 (2018: Nil).

### (b) Benevolent Fund

The ICAN members' Benevolent and Educational Trust Fund was established by Council of the Institute of Chartered Accountants of Nigeria to assist persons in need who are or have been ICAN members and/or their families and dependants. It is also aimed at promoting and supporting educational/research in accountancy, financial Management, taxation and related subjects. The fund is managed by a five man Board of trustees. The major activities of the management board are fund raising and management of investments. 3% of the Annual Accountants' Conference gross income is credited to the fund annually. The fund generated are invested and it is the income from the investments that are disbursed to members in need and families that are distraught. Since inception, the Fund has been used to assist members and families of dead members. This include members who had renal (kidney) failure, blindness, stroke, spinal cord injuries, disaster (fire/flood/accident) victims, children's education etc. The minimum amount of benefit to applicants is Fifty thousand Naira (N50,000) only; while the maximum shall be a sum of Five Hundred Thousand Naira N500,000) only.

### (c) Accountancy Research Fund

Transfers to this fund is based on Council's resolutions. The fund is made available to meet expenditure on research on specialised areas of accountancy. The Fund is invested in fixed deposit and any interest accrued there from is credited to the Fund.

### (d) Professorial Chair Endowment

Transfers to this fund is based on Council's resolutions. The fund is made available to meet expenditure on professorial chair endowment in selected universities. The fund is invested in fixed deposit and any interest accrued there from is credited to the fund.



**(e) Developmental Fund**

Transfers to this fund is based on council's resolutions . The fund is made available to meet expenditure on the Institute's infrastructural development. The fund is invested in fixed deposit and any interest accrued therefrom is

**(f) Prizes Fund**

This is funded by donors of each prize. The Fund is made available to meet expenditure on the award of prizes to deserving outstanding students in the Institute's examinations. The Fund is invested in fixed deposit and any interest accrued there from is credited to the Fund.

**(g) Study Text Revolving Fund**

This is to be funded by a portion of the amount realised from the sale of study text to students. The fund is available to meet expenditure on development, printing and distribution of study text to student. The fund is invested in fixed deposit and any interest accrued therefrom is credited to the Fund.

**(h) Students Development and Support Fund**

This is to be funded by surplus realised from the sale of study text and is to be applied to the development and support of students writing the Institute's examination.

**(i) Tuition House Support Fund**

This is a fund set up by Council to support Tuition Houses who are in the business of training future Chartered Accountants. A sum of Fifty Million Naira was committed for this purpose.

**(j) Whistle Blower Fund**

The fund was set up by Council to assist members who might encounter issues in the process of giving vital information to unravel corruption and fraud cases. A sum of Fifty Million Naira was committed for this purpose.

**(k) FVOCI reserves**

FVOCI reserves represents the excess of unrealised gains and losses on financial assets fair valued through other comprehensive income over their historic costs.

**(l) Accumulated Fund**

The accumulated fund represent the excess of income over expenditure which have been accumulated over the years.

## 28. RELATED PARTY TRANSACTIONS

### Council members as office bearers

Okwuadigbo Anthony Nnamdi ( President)  
 Adewuyi Onome joy (Mrs)(Vice President)  
 Eytayo Comfort Olujumoke (Mrs) (1st Deputy Vice President)  
 Tijjani Musa Isa(Mallam) (2nd Deputy Vice President)  
 Razak Jaiyeola(Immediate Past President)  
 Akinsulire Oyemolu Olugbenga (Chief) Honorary Treasurer

### Other Council members

Davidson Chizuoke Stephen ALARIBE (Chief),  
 Deji AWOBOTU (Hon.Dr) Obaje Godwin (Navy cat), Seun ODERINDE,  
 Adaku Chilaka CHIDUME-OKORO (HRM), Titilayo Ariyike Nurat AKIBAYO (Alhaja)  
 Tijjani Musa ISA (Mallam), B Nasiru MUHAMMAD (Hon),Olakisan, Jamiu Adeyemi  
 Ngozi Monica OKONKWO (Lady), Tajudeen Olawale OLAYINKA, Etofolam Felix OSUJI (Dr.),  
 Innocent OKWUOSA, Abiola Ayodele Oluwatobi,Bamgbose Aina Felicia  
 Tajudeen Olawale OLAYINKA, Sam Ogundipe Olutola, Ekhonoragbon Ghadaffi Peter  
 Hilda Ofure OZOH (Mrs.), Chibuzor Noel Anyanechi, Kumshe Modu Ahmed (Dr),  
 Queensley Sofuratu SEGHOSIME (Alhaja),Egbo Sunday Jude, Haruna Nma YAHAYA (Alhaji)  
 Disu, Samson Adewale

### Non Council members

John I. Evbodaghe (Registrar/Chief Executive),Prof, Ahmed Kumshe (RCE Designate), Ben  
 Ukaegbu (Deputy Registrar, Technical Services) and Mukaila A. Lawal (Deputy Registrar,  
 Corporate Services).

No member of the Council receives payment in respect of services to ICAN. In line with Council travel and expenses policy, Council members are reimbursed for any expenses which they directly incur on behalf of the Institute as part of their role as a Council member. No loan is granted to related parties.

## 29. CASH FLOW STATEMENT

	Note	31 December 2019 N'000	31 December 2018 N'000
<b>a. Cash generated from activities:</b>			
Surplus/(deficit) for the year		977,357	(176,179)
Adjustments for:			
Interest received	6c	(30,824)	(42,210)
Movement in accumulated fund		236,783	(70,900)
Exchange (loss)/gain		(737)	1,000
Depreciation on property, plant and equipment	13	244,859	219,453
Amortisation of intangible asset	14	12,374	12,370
Loss/(profit) on disposal of property, plant and equipm	13	15,517	(8,428)
Gain on valuation of investment property	6(b)	(77,000)	-
Changes in working capital (excluding the effects of exchange differences):			
(Increase)/decrease in inventory		(179,393)	108,074
Increase in loans and receivables		(1,265)	(4,921)
Decrease/(Increase) in prepayments		36,401	(27,225)
(Increase)/decrease in other receivables		(50,349)	933
Decrease in contract assets		960	807
Increase/(decrease) in trade and other payables		63,393	(137,103)
Increase in contract liabilities		22,201	7,618
Decrease in members subscription receivable		5,527	9,290
Cash used in operating activities		<b>1,275,804</b>	<b>(107,420)</b>



# NOTES TO THE FINANCIAL STATEMENTS

## b. Cash from funding activities:

Decrease in prizes fund	(2,324)	(2,872)
Increase in benevolent fund	26,615	53,637
Decrease in library fund	(10,046)	(15,449)
(Decrease)/Increase in study text revolving fund	(161,861)	76,804
Decrease in student development and support fund	(89,167)	(11,085)
Decrease in development fund	(100,000)	-
Increase in tuition house support fund	50,000	-
Increase in whistleblower fund	50,000	-
	<b>(236,783)</b>	<b>101,035</b>

## 30. MEMBERS' SUBSCRIPTION RECEIVABLE

	31 December 2019 N'000	31 December 2018 N'000
Subscription receivables	309,758	722,309
Allowance for credit loss	(240,183)	(647,207)
Net receivables	<b>69,575</b>	<b>75,102</b>

### 30(b) Reconciliation of members' subscription receivables

	2019 N'000	2018 N'000
At 1 January	722,309	666,816
Additions during the year	572,320	676,070
Receipts for the year	(754,861)	(620,577)
	539,768	722,309
Write off receivables	(230,010)	-
Gross carrying amount	309,758	722,309
Less impairment provision	(240,183)	(647,207)
At 31 December	<b>69,575</b>	<b>75,102</b>

### 30(c) Reconciliation of impairment allowance on members' subscription receivables

	2019 N'000	2018 N'000
Loss allowance as at 1 January	647,207	582,423
<b>Movements during the year:</b>		
Increase in impairment loss	230,010	-
(Reversal)/increase in expected credit loss on trade receivables	(407,024)	64,784
Write off of receivables*	(230,010)	-
Total impairment charge into P/L during the year	(407,024)	64,784
Loss allowance as at 31 December	<b>240,183</b>	<b>647,207</b>

The reversal of impairment of N407 million is due to the reduction in the gross carrying amount of the membership subscription receivables in the current year compared to the prior year.

Writeoffs were made for receivables that the Institute deemed as unrecoverable.

## 31. CONTINGENT LIABILITIES AND COMMITMENTS

There were no contingent liabilities or capital commitments as at the reporting date (2018: Nil).

## 32. EVENTS AFTER STATEMENT OF FINANCIAL POSITION DATE

In the first quarter of 2020, there was a COVID -19 outbreak which has spread globally. As at the date of this report, several cases have been confirmed in Nigeria by the Nigerian Centre for Disease Control.

The disease has caused a significant reduction in social interaction, with a shutdown of public facilities and physical interaction. Measures taken to contain the virus have affected economic activities. Members of staff now work from home. Teleconferencing Infrastructures have been put in place for meetings of Committees of Council to perform their roles to the Institute.

## 32. MEMBERS SUBSCRIPTION RECEIVABLE

This is the total outstanding dues from Members Subscription, Faculties and Practising Licenses as at December 31, 2019

## 32. MEMBERS SUBSCRIPTION IMPAIRMENT POSITION

Full Provisions is made for Members that recorded no transac

Impairment charges on subscription above ten years

This is additional impairment or otherwise on members that are owing Subscriptions, Faculties and Practising Licenses in the year



# STATEMENT OF VALUE ADDED

FOR THE YEAR ENDED 31 DECEMBER, 2019.

	31 December 2019 N '000	%	31 December 2018 N '000	%
Income	5,511,390		4,837,491	
Other income	222,235		138,035	
	<u>5,733,625</u>		<u>4,975,526</u>	
Purchase of services-Local	(3,459,869)		(3,984,237)	
<b>Value added</b>	<u><u>2,273,756</u></u>	<b>100</b>	<u><u>991,289</u></u>	<b>100</b>
<b>DISTRIBUTION:</b>				
<b>To pay employees</b>				
Salaries and benefits	1,046,993	46	972,619	98
<b>To provide for enhancement of assets and growth</b>				
Depreciation of property, plant and equipment	257,233	11	231,823	23
Amortisation of intangible assets	-	-	12,374	1
Surplus/(deficit) for the year	<u>969,530</u>	43	<u>(225,527)</u>	(23)
<b>Value added</b>	<u><u>2,273,756</u></u>	<b>100</b>	<u><u>991,289</u></u>	<b>100</b>

This statement represents the distribution of the wealth created through the use of the Institute's assets by its own and employees' efforts.

# FIVE YEAR FINANCIAL SUMMARY

FOR THE YEAR ENDED 31 DECEMBER, 2019.

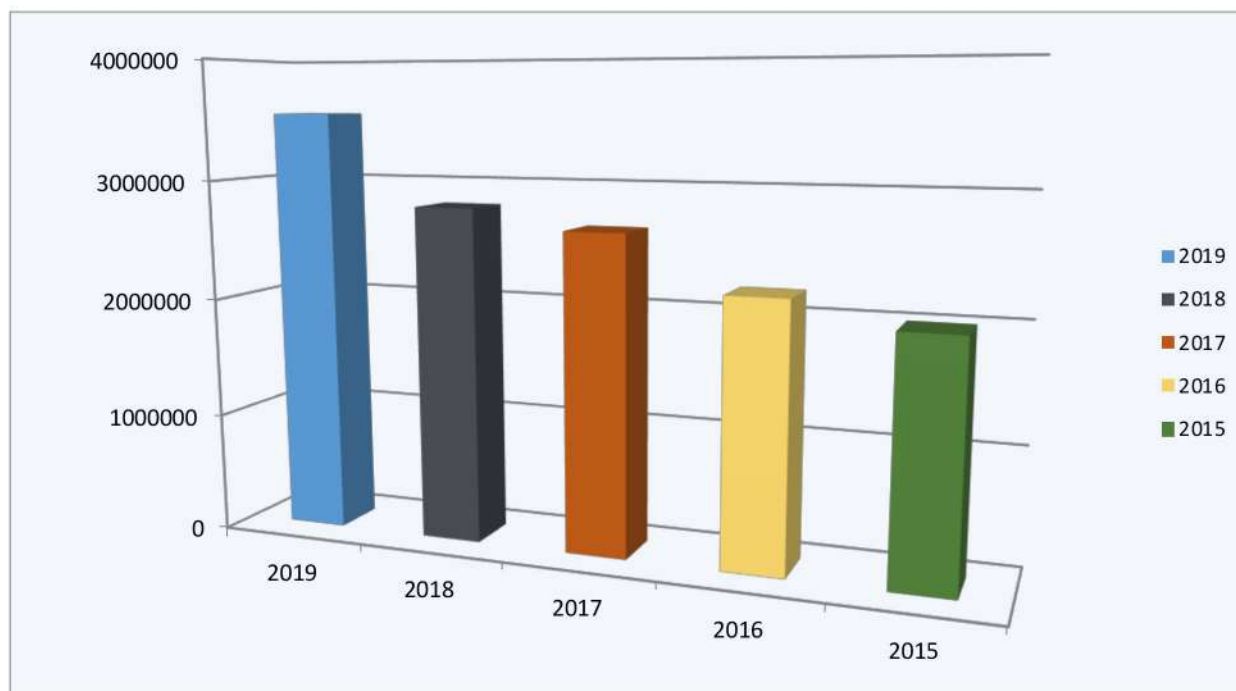
	31 December 2019 N'000	31 December 2018 N'000	31 December 2017 N'000	31 December 2016 N'000	31 December 2015 N'000
<b>ASSETS EMPLOYED</b>					
Property, plant and equipment	1,054,414	1,032,621	937,778	985,943	863,804
Intangible assets	0	12,374	24,744	37,114	49,484
Investment property	1,715,000	1,638,000	1,638,000	1,638,000	1,638,000
Financial assets FVOCI	45,042	59,274	138,757	71,877	64,450
Loans and receivables	5,572	18,575	16,793	21,957	11,435
Net current assets	1,502,210	569,663	762,210	1,169,020	819,826
	<b>4,322,238</b>	<b>3,330,507</b>	<b>3,518,282</b>	<b>3,923,911</b>	<b>3,446,999</b>
<b>FINANCED BY</b>					
Non-current liabilities	41,235	19,034	11,416	5,687	6,386
Funds and reserve	4,281,003	3,311,473	3,506,866	3,918,224	3,440,613
	<b>4,322,238</b>	<b>3,330,507</b>	<b>3,518,282</b>	<b>3,923,911</b>	<b>3,446,999</b>
<b>COMPREHENSIVE INCOME</b>					
Income	5,511,390	4,837,491	4,225,983	3,563,750	3,111,957
Surplus of income over expenditure	3,328,655	2,664,135	2,459,205	1,995,385	1,667,702
Surplus/(Deficit) for the year	977,357	-176,179	184,921	59,673	100,127
<b>Other comprehensive income:</b>					
<b>Items that will be reclassified to profit or loss in subsequent year:</b>					
Gain/(loss) in fair value of available-for-sale investments	-	-	66,880	-9,239	-34,773
<b>Items that will not be reclassified to profit or loss:</b>					
Loss in financial assets fair valued through other comprehensive income	-7,827	-49,348	-	-	-
Total comprehensive (loss)/income for the year	969,529	-225,527	184,921	59,673	50,434



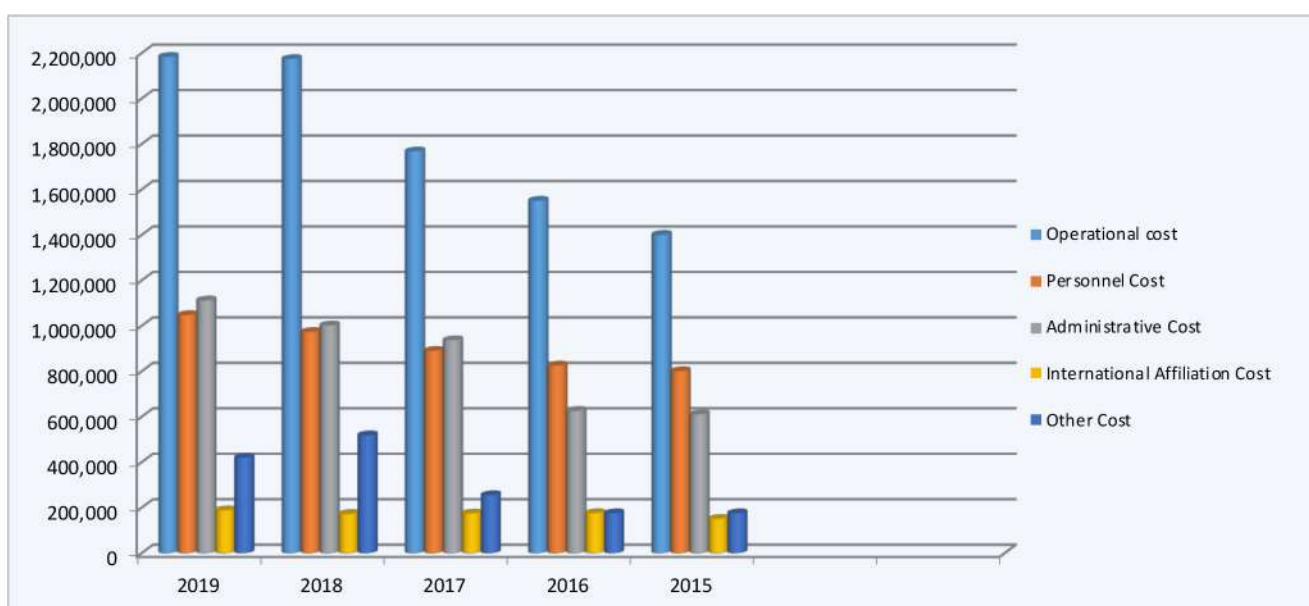
# FIVE YEAR FINANCIAL SUMMARY

FOR THE YEAR ENDED 31 DECEMBER, 2019.

## INCOME TRENDS (N'000) (2015 -2019)



## RECURRENT EXPENDITURE PATTERN (N'000) (2015-2019)



## NOTES

This image shows a full page of blank, lined paper. It features approximately 20 horizontal blue lines spaced evenly across the page, typical of notebook paper. The lines are thin and light blue, set against a plain white background. There are no margins, text, or other markings on the page.



This image shows a full page of blank, lined paper. It features approximately 20 horizontal blue lines spaced evenly across the page, typical of notebook paper. The lines are thin and extend from the left edge to the right edge. There is no handwriting or other markings on the page.



## **THE INSTITUTE OF CHARTERED ACCOUNTANTS OF NIGERIA**

*(Established by Act of Parliament No. 15 of 1965)*

Plot 16, Professional Centre Layout,  
Idowu Taylor Street, Victoria Island, Lagos, Nigeria  
Email: [info.ican@org.ng](mailto:info.ican@org.ng)  
ICAN Website: [www.icanig.org](http://www.icanig.org)