

Straddling the reality of a Nigerian Chartered Accountant today

Being a Paper delivered at 74th Induction Ceremony for New Members.

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Who is a chartered accountant



What is the difference between an accountant and a chartered accountant?

- In order to become 'chartered', an accountant must have trained with ICAS to reach the highest professional level, undertaken a minimum... rigorous training, followed our programme of expert tuition, and passed examinations in accountancy and business.

For a Chartered Accountant the hard work doesn't end upon qualification. ICAS CAs commit to *a process of continuous professional development that's designed not only to advance their careers, but to ensure their professional skills and knowledge remain up-to-date no matter what industry or technology developments the future brings.*

Reality No 1



Some of the main areas in which ICAS Chartered Accountants are employed include:
Private accountancy practice; Corporate finance; Audit; Tax accountancy; Business management;
Forensic accountancy; Entrepreneurship

As with ICAS, so with ICAN



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Chartered Accountants worldwide (a network)

The challenge arising from creation of CGMA qualification through the merger between CIMA and CPA.

- Chartered Accountants Worldwide brings together the members of leading institutes to create a community of hundreds of thousands of Chartered Accountants in more than 190 countries.



ICAEW - Brand Identity icon



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Technological development - AI Is Taking Over Accounting Jobs As People Leave The Profession

Will AI take the jobs and render accountants jobless



The accounting profession is hemorrhaging talent and failing to see growth as young college graduates are not gravitating toward this once-buoyant sector. The shift in attitudes regarding the occupation presents an existential threat. How can accounting firms survive and serve their clients if there aren't enough trained professionals? More than 300,000 U.S. accountants and auditors left their jobs between 2019 and 2021. The number of accountants in the U.S. has fallen 15.9% since 2019, according to the Bureau of Labor Statistics.

In an interesting plot twist, Puzzle, an accounting startup, is leveraging AI and automation to streamline accounting and financial management where there is currently a talent shortage.

AI set to boost productivity and jobs in accountancy

<https://www.icaew.com/insights/viewpoints-on-the-news/2024/jul-2024/ai-set-to-boost-productivity-and-jobs-in-accountancy>

Predictions of artificial intelligence (AI) supplanting workers may have been over-exaggerated as a growing body of research is highlighting its potential to boost productivity, introduce new skills and create new jobs.

The analysis of 160m US jobs revealed that service sectors such as accountancy and finance are particularly vulnerable to disruption by AI, and yet full job replacement was unlikely.

The study found that effective implementation of AI could enhance efficiency in the service sector, which has historically been difficult to automate, potentially spurring productivity



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AI adoption will, however, take time and will be heavily influenced by the economic cycle, regulatory outlook, product commerciality and overall diffusion across sectors.

Industry development- Why accountants need to align sustainability and finance data

<https://www.icaew.com/technical/sustainability/resources-collection/connecting-sustainability-accountants-need-to-align-sustainability-and-finance-information>



The UN SDGs

The world is changing rapidly, much more than ever before, undoubtedly fuelled in part by our recognition of unsustainable economic activities and their accelerating consequences

For a sustainable shift in corporate behaviours to succeed, finance professionals must ensure meaningful connections are being made between sustainability and financial information.



It is presumed that a company that puts into practice all the SDGs achieves a sustainable growth.

The emergence of ISSB's IFRS S1 and S2

The realities of the local environment

Understanding the realities of the local environment

Nigeria

- Institute of Chartered Accountants of Nigeria (ICAN) – founded 1965
 - Insolvency, forensic accounting, financial accounting and management treasury, secretaries, corporate governance, audit & taxation, everything predominantly in practice or employed in the private sector.
 - Founding member of IFAC, PAFA & ABWA
- Association of National Accountants of Nigeria (ANAN) – founded in 1993
 - financial accounting and audit.
predominantly public sector since rejected by private sector
public sector audit services
- Chartered Institute of Taxation of Nigeria - chartered in 1992.
 - responsibility for determining what standards of knowledge and skills are to be attained by persons seeking to become a professional Tax Practitioner or Administrator
- ***CITN not a member of IFAC.***



Nigeria

- The Chartered Institute of Forensics and Certified Fraud Investigators of Nigeria

- The Establishment) Act, was signed into law on the 23rd of December 2022 by President Muhammadu Buhari,



- *An Accountant is an Auditor but an Auditor must or may not be an Accountant. A forensic and investigative auditors need knowledge of Accounting to unravel manipulations of Accounting facts and figures in the financial statement prepared by an Accountant. CIFCFIN*

- The Chartered Institute of Treasury Management

- Established by Act No 1 of 2022

- ***Our mission is to institutionalize Preventive Mechanism against Fraud, Outright Embezzlement, Misappropriation/Misapplication in the Management of the Treasury.***



- The Institute of Chartered Secretaries and Administrators of Nigeria

- Chartered by Decree 19 of 1991 (Now Institute of Chartered Secretaries and Administrator of Nigeria Act CAP 113 LFN 2004. (a member of Corporate Secretaries International Association (CSIA), registered as a global voice for Corporate Secretaries and Governance)



There is also the Chartered Institute of Directors and Chartered Institute of Bankers

CITN, ICSAN, others kick against bill to empower ICAN regulate taxation practice



The Chartered Institute of Taxation of Nigeria (CITN), Institute of Chartered Secretaries and Administrators of Nigeria (ICSAN), Association of Forensic Accounting Researchers (AFAR) and Taxpayers' Rights Initiative, among other professional bodies, have kicked against a proposed amendment bill seeking to empower the Institute of Chartered Accountants of Nigeria (ICAN) to regulate members on practice of accounting, taxation and other professions.



CITN PRESIDENT

Legal Adviser, CITN, ... during the course of his presentation, said that the proposed bill would be akin to having a dual regulator (a primary regulator – CITN and a secondary regulator – ICAN) to regulate taxation practice.

ICSAN opposes ICAN members practising corporate governance

Source: Guardian 23 Feb, 2022

<https://guardian.ng/news/citn-icsan-others-kick-against-bill-to-empower-ican-regulate-taxation-practice/>



ICSAN PRESIDENT

ICAN

ANAN rejects ICAN's claim to chartered Accountants

The Association of National Accountants of Nigeria (ANAN) has rejected the ongoing amendment of some sections of the Institute of Chartered Accountants of Nigeria (ICAN) establishment Act.

According to ANAN President, all registered members of professional bodies Chartered by the Act of National Assembly are also Chartered Professionals.

He said ICAN cannot arrogate the word 'Chartered' for its members only as members of ANAN are also 'Chartered Accountants'.

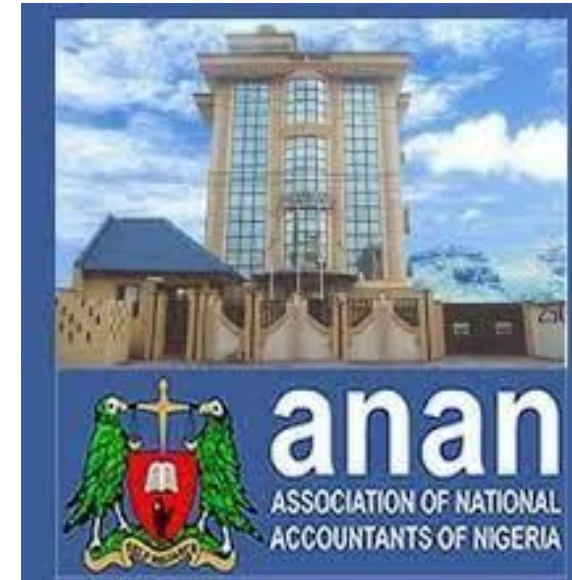
“Therefore, this interpretation should not be restrictive to ICAN alone. It should be expunged,” he added.

Source: Leadership Newspaper June, 2024

<https://leadership.ng/anan-rejects-proposed-ican-act-amendments-warns-against-rivalry/>



ANAN PRESIDENT



Why multiple PAOs- the case of UK

- A case of institutionalisation- boundary work to expand the scope of what members can engage, in practice- (Suddabby and Viale, 2011)
- UK PAOs – members of IFAC
 - Institute of Financial Accountants- seek to occupy professional space of financial accounting
 - Chartered Institute of Management Accountants –CIMA **cost and management accounting**
 - Institute of Chartered Accountants in England and Wales (ICAEW) – **private sector & audit**
 - Chartered Institute of Public Finance and Accountancy – **public sector accounting & finance**
 - Association of Chartered Certified Accountants (ACCA) – generalists- ICAEW services, lost local
 - Institute of Chartered Accountants of Scotland – **Scottish origin**
- **Chartered Institute of Internal Auditors- Not IFAC member**
- **Chartered Institute of Taxation – Not IFAC member**
- Political arrangement of a country
 - England
 - Wales
 - Scotland
 - Northern Ireland

Why multiple PAOs- Audit expectation gap in UK

- UK's big accountancy firms told to split off audit arms by 2024- UK Guardian July' 20



- The call to hive off audit work comes after one of the reviews, led by the City grandee Sir Donald Brydon, called for “urgent reform”, **recommending that auditing be treated as a separate profession to accounting.**

Why multiple PAOs- the case of Nigeria



■ Social Identity theory & groups

- Setting too high a standard?

Did ICAN set too high a standard for members?

- Disagreement among members?

- Spheres of influence?

■ Mimetic isomorphism

- *Likely the case of CITN*

- ***Chaos, chaotic!! – No discernible pattern of what obtains in other jurisdictions***



ICAN as superior brand in Nigeria

With membership of Institute of Chartered Accountants of Nigeria (ICAN), you can become a member of the following international accountancy bodies



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No exam



No exam

Dominate private sector audit and assurance

Dominate private sector accountancy and finance employment

Dominate insolvency practice

Have begun to show much presence in public sector employment



1 Paper



Paper being finalised

Our members practice financial and management accounting, financial and sustainability reporting, financial and treasury management, audit and assurance, credit and risk managers, forensic accounting and audit, IT Consultants, Data analysts, project managers, corporate governance, company secretary,

Today ICAN members live in Nigeria and work for American, UK, Canada and Australian companies. Following the adoption of IFRS in Nigeria, some in the Big 4 gets pounced by Big 4 and other companies in Europe, Canada, US and Australia exacerbating the japa syndrome in the country. You need networking

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Don't be passive- Ask what is going on with the Institute/District/ Council



To be active you must be in good standing with the institute. To be in good standing of the institute – financially up to date, MCPD compliant, no disciplinary action against, belong to a district.

Thank you

- Thank you and;
- Any Questions

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