

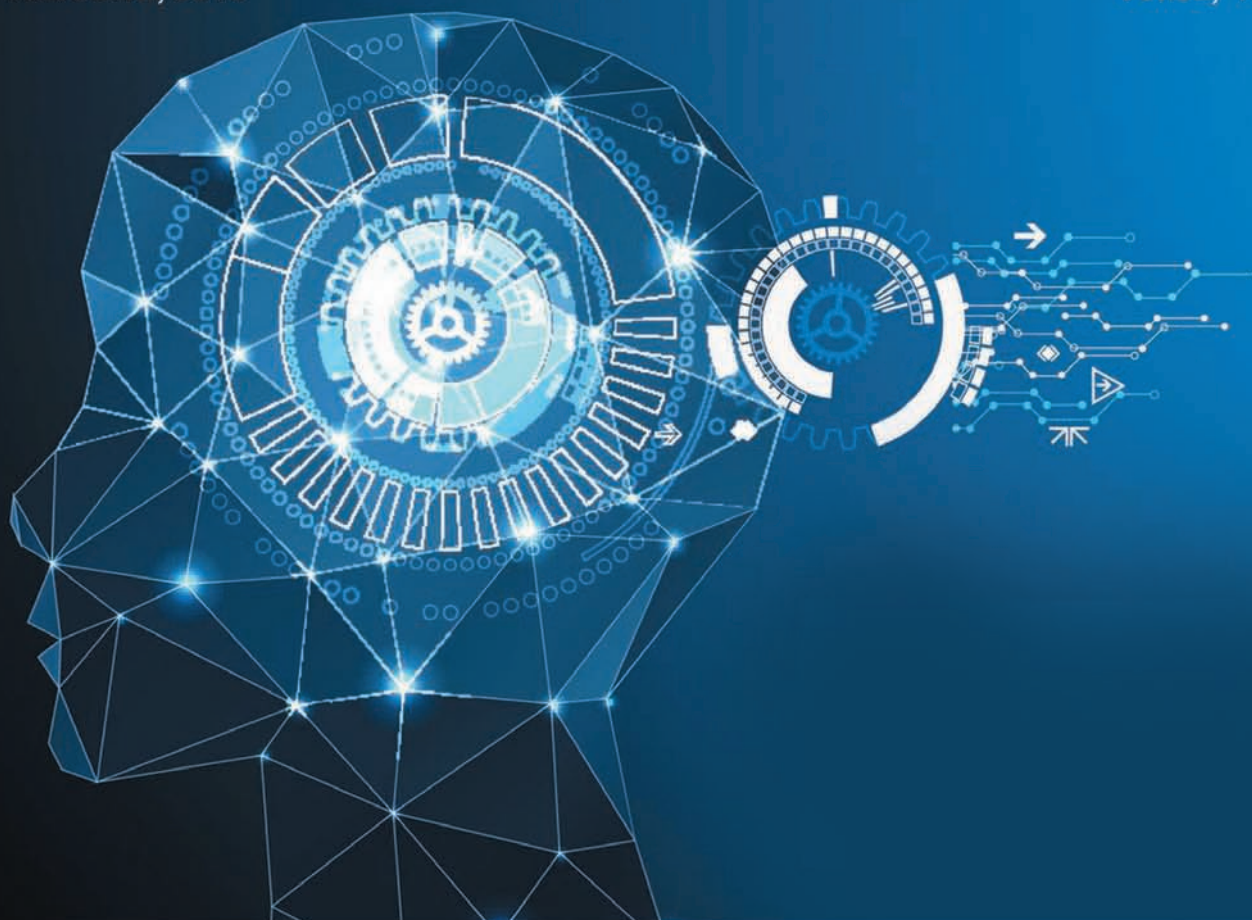


The Nigerian
ACCOUNTANT

THE OFFICIAL JOURNAL OF THE INSTITUTE OF CHARTERED ACCOUNTANTS OF NIGERIA

APRIL/JUNE, 2019

Vol.52, No.2



**Artificial Intelligence
Versus the Accountant:**

**THREAT OF
OBSOLESCENCE**

CaseWare Africa

In Nigeria

Global solution
with localised
content

CaseWare Africa is
the global leader in
quarterly and statutory
reporting software as
well as audit solutions
for 20+ years

CaseWare supports localised content to ensure built in compliance to IFRS, IFRS for SME's, IPSAS and International Standards on Auditing (ISA).

Automate your process today for efficiency, accuracy and globally recognised quality financial statements and audit systems.

BETTER COMPILATION AND AUDIT MANAGEMENT

CaseWare is an end-to-end solution from importing the trial balance, to sign-off of financial statements. This file then integrates with a fully automated audit methodology

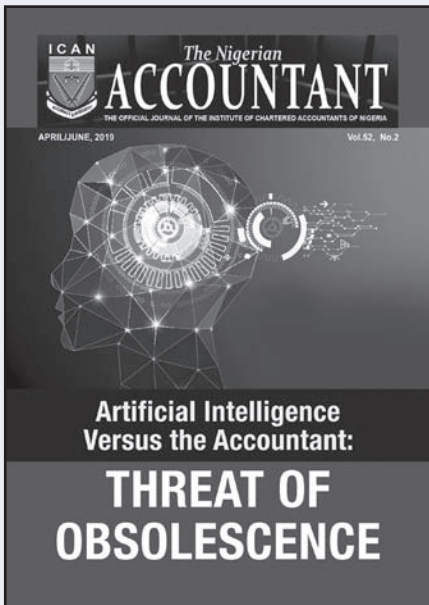
GUARANTEED COMPLIANCE FOR ALL SIZE ENTITIES

Trusted by 20 000+ financial professionals in practice, in business and in public sector. Local sales, training and implementation, no matter the size of your business.

Draft.Audit.Succeed.

Contact us today
www.casewareafrika.com


adapt IT



The Nigerian ACCOUNTANT

(ISSN: 0048 - 0371)
is published quarterly by

THE INSTITUTE OF CHARTERED ACCOUNTANTS OF NIGERIA

HEAD OFFICE:

Plot 16, Idowu Taylor Street,
Victoria Island, Lagos.
P.O. Box 1580, Lagos.
Telephone: 09053847510,
09053847511

E-mail: info.ican@ican.org.ng
Website: www.icanig.org

ANNEXE OFFICE:

82, Murtala Mohammed Way,
Ebute Metta, Lagos.
Telephone: 09053847513

* The views expressed by correspondents or contributors in this journal are not necessarily those of the Institute. By making submissions to *The Nigerian Accountant*, the contributors undertake that the contributions are original and have not been accepted or submitted elsewhere for publication.

* The Institute reserves the right to refuse, cancel, amend or suspend an advertisement or insertion and no liability can be accepted for loss arising from non-publication or late publication of any advertisement or insertion. All articles are subject to editing.

* © No part of this publication may be reproduced without the prior written permission of the publisher.



APRIL/JUNE, 2019

Vol. 52, No.2

- 4** **TECHNOLOGY**
 - * From Algorithms to Deep Learning, What You Need to Know About AI

- 6** **RISK MANAGEMENT**
 - * Accountants Enabling Effective Enterprise Risk Management
 - * Dealing with Ethical Dilemmas with Confidence

- 10** **NEWS/EVENTS**


- 18** **ACCOUNTING**
 - * Discounts Rated - Accounting and Discount Rates Clash

- 20** **FEATURES**
 - * BREXIT - A Test of Democracy
 - * AFRICA'S TOMORROW: Role of Effective Institutions, Infrastructure & Technology

- 25** **BUSINESS REPORTING**
 - * Trends in Disclosing Non-Financial Information

- 44** **DEVELOPMENT**
 - * Effective Institutions: Back to the Basics
 - * Cybercrime Threatens Trust in Business — How Accountants Can Help
 - * How to Support the SMP of the Future
 - * Building Data Science and Analytics Capabilities in Finance and Accounting

- 54** **COVER ARTICLE**
 - * Artificial Intelligence Versus the Accountant: Threat of Obsolescence

- 63** **HEALTH**
 - * Hepatitis B — Symptoms and Treatments



THE INSTITUTE OF CHARTERED ACCOUNTANTS OF NIGERIA

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

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 the public interest.

ICAN Centre:

Plot 12, Kofo Kasumu Street,
Amuwo Odofin, Lagos.

ICAN LIAISON OFFICES

Abuja Liaison Office:

Akintola Williams House
Plot 2048, Michael Okpara Way,
Zone 7, Wuse District, Abuja.
Tel: 09 - 8722302, 07034520270
E-mail: icanabuja@ican.org.ng
ayusuf@ican.org.ng

Contact Person:

Mr. Yusuf Adamu

Kaduna Liaison Office:

3, Kanta Road, Ali Turaki House, Kaduna.
Tel: 08036788275
E-mail: icankaduna@ican.org.ng
Contact Person:
Mrs. A.A. Adegoke

Kano Liaison Office:

Murtala Mohammed Library Complex
Ahmadu Bello Way,
P.O. Box 11283, Kano.
Tel: 08035900399
Email: icankano@ican.org.ng
ahumaru@ican.org.ng

Contact Person:

Mr. A.H. Umaru

Officers & Council Members 2018–2019

President

Razak JAIYEOLA (Alhaji), BSc, ACFE, CRISC, FCA

Vice President

Nnamdi Anthony OKWUADIGBO (Mazi), BSc, FCA

1st Deputy Vice President

Onome Joy ADEWUYI, BSc, MSc, FCIB, FCA

2nd Deputy Vice President

Comfort Olujumoke EYITAYO, mni, CFA, FCA

Immediate Past President

Isma'ila Muhammadu ZAKARI (Mallam), mni, BSc, FBR, FCA

Honorary Treasurer

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

Members

Oluwatobi Ayodele ABIOLA, HND, BSc, FCA
Solomon Oluwole ADELEKE (Deacon), FCA
Titilola Ariyike Nurat AKIBAYO (Alhaja), MBA, FCIT, FCA
Davidson Chizuoke Stephen ALARIBE (Chief), MA, CFA, MNIM, FCA
Chibuzor Noel ANYANECHI, BSc, MBA, FCA
Deji AWOBOTU (Dr.), M.IoD, FCA
Felicia Aina BAMGBOSE, FCA
Adaku Chilaka CHIDUME-OKORO (HRM), BSc, MSc, FCA
Samson Adewale DISU (Rev.), MSc, FCA
Jude Sunday EGBO, HND, MBA, FCA
Omehe Gaddafi Peter EHKORAGBON, HND, FCA
Tijjani Musa ISA (Mallam), BSc, M.IoD, FCA
Ahmed Modu KUMSHE, PhD, FCA
Nasiru MUHAMMADU, BSc, MSc, FCIT, FCA
Godwin OBAJE (Navy Capt.), FCA
Olutola OGUNDIPE, B.Eng, FCA
Monica Ngozi OKONKWO, MSc, ACIB, FCA
Innocent OKWUOSA, MSc, ACIB, FCA
Jamiu OLAKISAN, HND, BSc, ACS, FCA
Tajudeen Adewale OLAYINKA, BSc, MBF, FCA
Etofolam Felix OSUJI (Dr.), mni, MSc, FCTI, FCA
Hilda Ofure OZOH, MBA, FCA
Queensley Sofuratu SEGHSIME, mni, MBA, FCA
Haruna Nma YAHAYA (Alhaji), BSc, MBA, ANIM, FCA

Registrar/Chief Executive

John Irabor EVBODAGHE, MBA, FCA

Joint Auditors

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

EDITORIAL BOARD

Chairman

Haruna YAHAYA, FCA

Deputy Chairman

Ahmed Modu KUMSHE (Dr.), FCA

Members

Deji MUSTAPHA, FCA

Mojisola ADEWOYIN, ACA

Esther UMAHI, FCA

Oluwaseun DAWODU, ACA

Victor ADEGITE, ACA

Oluwasayo ELUMARO, FCA

Gloria OLOTU, FCA

Omolara FAGBURE, FCA

Francis IYOHA (Prof.), FCA

Ben UKAEGBU (Dr.), ACA

Editor

Bunmi OWOLABI

Deputy Editor

Dayo KOWE

Assistant Editor

Muyiwa DARE

Manager, Adverts

Nkem JACOB

Correspondence should be addressed to:-

Corporate Communications and Marketing Directorate

**THE INSTITUTE OF CHARTERED
ACCOUNTANTS OF NIGERIA**

Plot 16, Professional Centre Layout,
Idowu Taylor Street, Victoria Island.
P.O. Box 1580, Lagos.

Tel: 09053847510, 09053847511

E-mail: corporateaffairs@ican.org.ng

ICAN Website: www.icanig.org

From The Editor

The rate at which technology advancement is affecting all professions across the globe in recent times is worrisome, with the fear that it may lead to loss of jobs. The integral part of this change in technology is referred to as Artificial Intelligence (AI) and just like any other profession; Accounting practice is having its own share of the reality of the effect of AI.

This is why all Accounting standards-setters across the world for the treatment of depreciation, which is universally accepted as a reduction in the value of an asset, also recognises change in technology as one of the four causative factors of depreciation. They are: Usage, Passage of time, Wear and tear, and Change in technology.

In Our lead article entitled “**Artificial Intelligence Versus the Accountant: Threat of Obsolescence**”, Professor Kabir Dandago x-rayed what change in technology essentially refers to and how it changes the skills, methods and processes of production or provision of services or in the accomplishment of objectives.

He however allayed the fear of Accountants that instead of panicking, they should be ready to embrace the scientific/ industrial revolution brought by change of technology as it relates to their professional and practical works, with AI on the front burner.

Another article in this edition, “**Cybercrime Threatens Trust in Business: How Accountants Can Help**” also discussed how cybercrime is threatening trust and transparency in the business world and governance on daily basis.

The author disclosed that the public expects greater openness about ethical issues arising from cyber security breaches and how personal data is protected. He posited that Accountants as value protectors and stewards need to be part of the solution when it comes to cyber security.

Our third article, “**Effective Institutions: Back to the Basics**” discussed how the output per capital of a nation is the most used indicator for economic growth, saying that this key measure depends significantly on the amount of human capital, physical resources and the technology available for creating economic activity and wealth.

The article focused on why Africa with ineffective institutions are the fundamental cause of economic growth and development across countries. It attributed poor and bad economic growth and development to ineffective institutions.

On our Health column, you will read about the causes, symptoms, treatment and prevention of hepatitis.

Your comments on the various articles, news and other items published in this edition are welcome. Please write to: corporateaffairs@ican.org.ng; editor@ican.org.ng; or aoololabi@ican.org.ng

From Algorithms to Deep Learning, What You Need to Know About AI

By YASMINE HAKIMPOUR

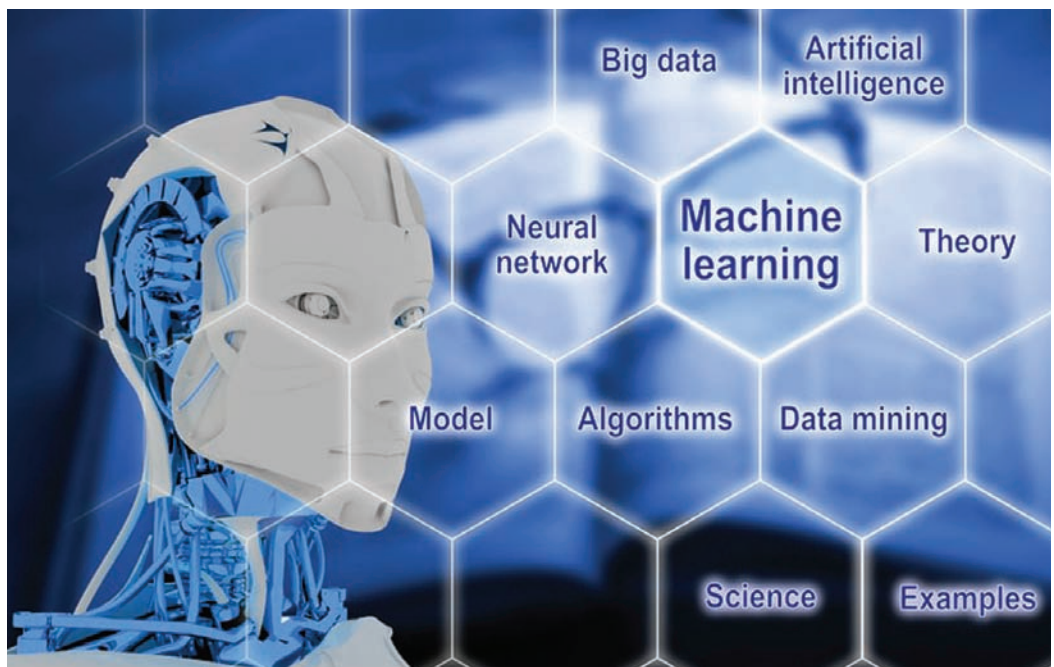
Artificial Intelligence (AI) is everywhere, and news articles and broadcasts, blog posts and podcasts constantly remind us how AI is “upgrading” just about everything. But what exactly is AI? CPA Canada in collaboration with the American Institute of CPAs (AICPA) recently released *A CPA’s Introduction to AI: From Algorithms to Deep Learning, What You Need to Know* to explain “buzzwords” such as machine learning, deep learning, robotic process automation, and computer vision, and to discuss the evolution of data, AI and computing power.

The report is the first of a planned series of publications to explore AI and its impact on the accountancy profession. Here we share the key takeaways.

AI Defined

AI means different things to different people, depending on your particular area of focus, but the broadest and perhaps simplest definition describes AI as the science of teaching programs and machines to complete tasks that normally require human intelligence. There are essentially two kinds of AI: Narrow AI and General AI.

As the name suggests, Narrow AI is made up of narrowly intelligent systems that can exceed humans in specific tasks, such as playing chess or making medical diagnoses. These narrow capabilities are not transferrable.



General AI refers to human-level intelligence that is able to transfer knowledge between domains. While Narrow AI is all around us in language systems, vision recognition systems, and recommendation engines, General AI is still the stuff of science fiction — for now.

Why Should Professional Accountants Care About AI?

Because it’s already impacting how we work. Its ability to enable innovation provides CPAs with the opportunity to improve efficiencies and quality to make better, more informed decisions fast — if we embrace it.

How We Got Here

It all starts with big data — AI cannot perform without it.

The basic idea behind AI is to let a machine statistically analyse all the data being collected to derive insights much faster and more accurately than otherwise possible. Historically, data gathering was an explicit exercise with no guarantee that the data collected represented what was actually happening.

Today, thanks to the digitisation of business processes (via the Internet of Things, cloud, mobile computing and social media), the advancement and availability of computing power, the maturity of algorithms and AI models, and the huge surge in investment in AI, data is being created and collected at exponentially increasing volumes.

Analysing Big Data

According to the International Data Centre, the world is on track to create 44 zettabytes of data by 2020. Organisations are tapping into increasingly sophisticated analytics techniques to get closer to customers, to set strategy, to innovate, and to grow.

The four main categories of analytics are:

- **Descriptive analytics**, which provide insights into events of the past.
- **Diagnostics analytics**, which examine data to answer why an outcome happened.
- **Predictive analytics**, which look into the future to anticipate outcomes, such as demand forecasting for a supply chain operation.

“Deep learning is an emerging and particularly exciting subset of machine learning that uses algorithms that roughly approximate the structures and functions of the human brain. The idea is to create algorithms that can simulate an array of neurons in an artificial neural network that learns from vast sources of data that would be impossible for humans to process”

- **Prescriptive analytics**, which provide possible outcome solutions that guide predictions into actions, such as generating ways to optimise production or inventory.

How AI Works

In order for AI programs to navigate through situational complexities, different approaches to creating software, with the ability to determine different outcomes, are necessary. The Logic and Rules-based approach uses conditional instructions and defined rules to carry out a task or to solve a problem such as “if this, then that”. This approach has been in practice for a long time and has been the underlying premise for AI until recent advances in machine learning and deep learning, which are techniques within AI.

Machine learning is the ability of algorithms to learn from experience rather than being provided with instructions. Algorithms create computational models that process large data

sets to predict outputs and make inferences. More data leads to more examples, which helps the algorithm to finely tune its output/insight over time. The insights are fed back to further refine the algorithmic models making them more accurate over time.

Three different techniques are most commonly used for a machine to “learn” the problem and become smart at providing the answer:

- **Supervised learning** is a method to teach AI systems by example. The systems are provided with data points that are tied to expected outcomes. Once trained, the systems can take in data and provide an output that is in line with the learned model.
- **Unsupervised learning** requires algorithms to draw inferences from data sets by identifying patterns and looking for similarities by which that data can be grouped.
- **Reinforcement learning** is a technique by which an AI system learns under its own supervision by making predictions, validating them against reality, and continually adjusting itself for a better output next time.

Deep learning is an emerging and particularly exciting subset of machine learning that uses algorithms that roughly approximate the structures and functions of the human brain.

The idea is to create algorithms that can simulate an array of neurons in an artificial neural network that learns from vast sources of data that would be impossible for humans to process. In addition to recognising images and patterns, deep learning appears to be a promising way to approach complex challenges such as speech comprehension, human-machine conversation, language translation and vehicle navigation.

Robotic Process Automation (RPA)

RPA is garnering a lot of interest in the profession because of its ability to handle high-volume, repeatable tasks such as answering questions, making calculations, maintaining records, and recording transactions. In effect, RPA mimics tasks performed by humans and automates them digitally.

While the technology sounds like AI, it’s not. RPA, on its own, requires significant human involvement in the form of detailed programmed instructions. No learning occurs as a result of performing the tasks. As technology progresses, RPA systems are being coupled with algorithms to work with unstructured data related to vision, images and Natural Language Processing in order to work on more judgment-related activities.

Conclusion

This is just the beginning. Learning the basics of AI is an important first step in our collective digital journey. ●

★ **Yasmine Hakimpour, CPA, CA, is Principal, Audit & Assurance, Research, Guidance & Support Group, CPA Canada.**

Dealing with Ethical Dilemmas with Confidence

By ERICA STEENWIJK and STATHIS GOULD

Being a professional accountant requires much more than professional competence in technical matters. The actions or inactions of accountants, whether they are working in business, advisory or audit, influence decisions and actions of others, and contribute to the moral bearing of organisations and societies.

Accountancy, as with other professions, is in fact, a social and moral practice. For an accountant to be a trusted advisor or business partner, professional ethics is fundamental. Professional integrity should be valued for bringing credibility to decision making and safeguarding the interests of stakeholders. Doing the right thing is as important as being a technical expert. To this end, accountants in business need to be conscious of how they influence ethical business culture.

Professional accountancy organisations need to think innovatively on how to support them in discharging their ethical responsibilities. The reality is that making the right call is often not straightforward. Few ethical dilemmas are black or white, and many could involve different perspectives and choices.

In business, making a decision for the benefit of one group of stakeholders can sometimes be to the detriment of others' interests. Often there are important moral considerations to take into account, such as in relation to the natural environment, or how value is distributed.

Accountants working in business and the public sector face a range of ethical dilemmas on a frequent basis. Recognising and tackling dilemmas in real time is a significant part of being a professional. Consequently, it is important for the profession to provide adequate support to accountants to help them enhance their moral awareness, competence, and courage.

Recognising that their members face ethical challenges and moral questions in their everyday work practices, The Royal Netherlands Institute of Chartered Accountants (NBA) uses a "moral intervention model" developed by the Nyenrode Business University in Breukelen. It is an action-based approach comprising six key questions and steps that are addressed in a group setting to help accountants reflect on the ethical issues they face at work.



A Framework for Moral Prudence

The moral intervention model is a practical and simple framework that helps people decide what or what not to do in situations where they are required to make a moral assessment. The approach is designed to help with everyday situations, and help to apply professionalisation, learning and self-improvement.

It is based on "peer supervision" which means that dialogue in a group is an important element to developing moral prudence and effectively dealing with ethical issues. Engaging with others is likely to improve one's ethical thinking by helping to view an issue from different perspectives.

A professional accountancy organisation could enable this approach by providing workshops or group sessions involving members or use the model as a tool to help frame a dialogue on a telephone support line.

Alternatively, an accountant in business could convene a small group of trusted colleagues to facilitate him/her in going through the steps and addressing the questions until a conclusion and decision has been reached. A group of five to eight participant peers generally works best.

The role of the participants is to offer perspectives and insights into the dilemma while addressing the six questions. Doing so helps to develop different ways of thinking about the

issue, alternative ways of behaving, and ultimately helps an individual come up with a decision or action.

The Six Key Steps in the Moral Intervention Model:

1. What am I required to make a decision on?

This involves outlining the nature and context of the dilemma including why it is a dilemma for the individual involved. It is important to describe the dilemma from a personal perspective, detail what action the individual is considering taking, or not taking (not doing something can, in certain cases, also be considered an action), and the options they are considering and not considering.

2. Who are the stakeholders affected?

Taking stock of all the parties, individuals, and organisations involved whose rights or interests are affected by the decision.

3. What do the rules of professional practice, business or governance codes, or other binding laws and regulations say?

There are frames of reference that may be helpful in forming a judgment and decision-making, including:

- The International Ethics Standards Board for Accountants' International Code of Ethics for Professional Accountants (including International Independence Standards), or Code of Ethics from the IFAC member body should be a primary reference point. The five principles of the Code need to be considered as well as any specific safeguards that can be actioned. Safeguards are the actions, either individually or in combination, that an accountant can take to reduce threats to compliance with the fundamental principles to an acceptable level. Not all threats can be addressed by the application of safeguards.
- The organisation's code of conduct and values. Many organisations have an employee code of conduct or ethics.
- Relevant laws and regulations that need to be considered, including relevant case law, and guidance (although if an action is legal it does not necessarily mean it is morally right hence why the approach the model is focused on making a moral assessment).
- Codes of best practice such as a corporate governance or director's code.

4. Which arguments can be made for the possible decisions and alternative courses of action?

To establish a position – to do or not do something – one needs to be able to raise arguments for it that are powerful enough to persuade others. One must also bear in mind any arguments that may be raised against the position. The point is not to neutralise

“ For an accountant to be a trusted advisor or business partner, professional ethics is fundamental. Professional integrity should be valued for bringing credibility to decision making and safeguarding the interests of stakeholders. Doing the right thing is as important as being a technical expert. To this end, accountants in business need to be conscious of how they influence ethical business culture ”

such counterarguments, but rather to show that they were taken into consideration and be able to state in a conclusion how one intends to do justice to those counterarguments. It is helpful to set out the arguments in favour and against taking a particular course of action.

The Royal NBA uses Muel Kapteijn's model of Neutralisation Techniques to outline common excuses to defend certain situations, which might not in fact be substantial considerations or arguments. Typical excuses or “neutralisation techniques” include: distorting the facts (“it is not the truth”), negating the norm (“it is not decisive”), blaming the circumstances (“it is beyond my control”), and hiding behind oneself (“it is a lack of self-control” or “I really didn't think I was doing anything wrong at the time”).

5. What is my conclusion after discussing the dilemma with my group members and answering all the questions above?

Once the arguments in favour and against have been exchanged and weighed, a clear conclusion can and must be formulated. Specify which arguments tipped the scales. Consider if it is possible to formulate a creative solution that does justice to as many arguments (for and against) as possible.

In doing so, explore whether there would be a way to mitigate any negative consequences to certain stakeholders. The consequences should be included in the list of arguments that were judged to be less important.

6. What is my individual decision or action? Am I going to actually do it?

Finally, it is important to address the key questions, “can I live with the consequences of my decision?” and “am I going to follow through with the decision?”

A final question is to consider what action you would take if the situation was in the public domain, and whether your actions might be different in a situation of public scrutiny.

A key aspect of this model is that it is culturally neutral although the ultimate decisions and actions an accountant might take can be affected by culture and social norms. This might lead to a conclusion that an ethical situation is “acceptable” despite not being morally prudent. Consequently, ethical training for accountants should explicitly consider how to deal with cultural considerations and social norms where they can inhibit accountants' ability to uphold their ethical duty. ●

★ Erica Steenwijk is the Policy Advisor, Netherlands Institute of Chartered Accountants and Stathis Gould is Deputy Director, Professional Accountants in Business, IFAC.

Accountants Enabling Effective Enterprise Risk Management

By STATHIS GOULD

The recent IFAC report *Enabling the Accountant's Role in Effective Enterprise Risk Management* (ERM) highlighted the importance of risk management being a core competency for accountants. For CFOs and finance teams, ERM provides a platform for delivering additional value in business by improving decision making and enhancing the insights and information available to boards and management as they respond to uncertainty.

At its recent meeting in March, the IFAC Professional Accountants in Business (PAIB) Committee recommended IFAC further engage with its membership on the implications of the report findings for their role in enhancing risk competence among accountants, such as through a targeted ERM webinar for professional accountancy organisations.

At the meeting, Paul Sobel of The Committee of Sponsoring Organisations of the Treadway Commission (COSO) also provided an update on COSO ERM activities and priorities, and Francis Nicholson of the Institute of Internal Auditors (IIA) on the potential areas of improvement to the IIA's Three Lines of Defense Model. Highlights from these presentations are summarised below.

COSO ERM Update

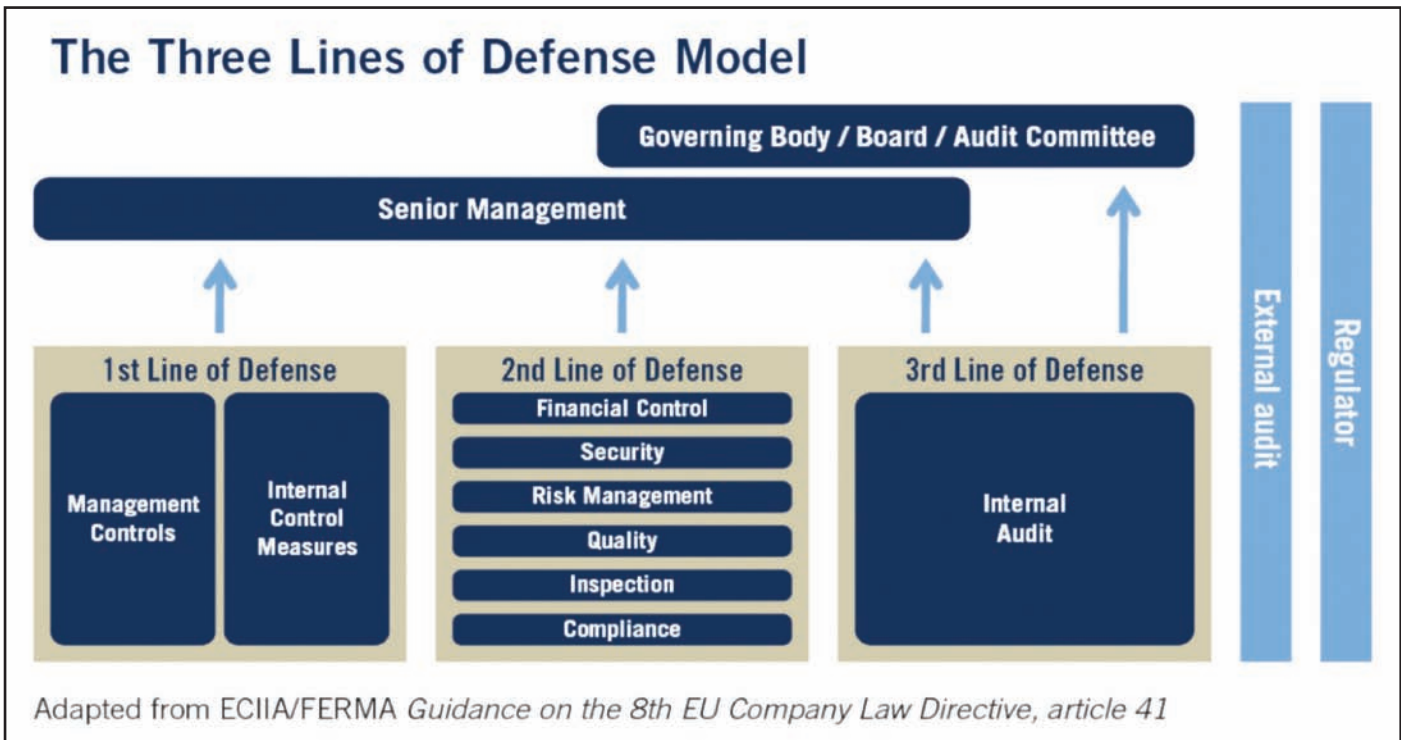
In a presentation to the committee, Paul Sobel, Chair of COSO, and Vice President/Chief Risk Officer, Georgia-Pacific LLC, highlighted how IFAC's recent work in risk management, also including From Bolt-on to Built-in Managing Risk as an Integral Part of Managing an Organisation, effectively complement the COSO ERM framework and enable a good understanding of how CFOs and finance functions should contribute to effective ERM both in terms of value creation and preservation.

The CFO and finance function role have become critical in enabling good ERM practices centered on ensuring an ERM approach drives insights, underpins good decisions and facilitates integration and interconnectivity across the organisation. The recommendations for the professional accountant skillset would be useful for those involved in ERM.

Paul Sobel also highlighted that board and management feedback on the revised COSO ERM framework and principles issued in 2017, Integrating with Strategy and Performance, has been generally positive with feedback suggesting that the 20 principles are intuitive.

The main areas of increasing attention in many organisations include:

- **Governance and culture** — given that most problems begin with governance weakness and problems with the overall corporate culture. The new framework addresses the growing focus of culture in effective risk management, and explores culture within the broader context of overall core values.
- **Strategy and objective-setting** — linking risk management to strategy and planning is increasingly becoming accepted good practice. Effective risk management begins with understanding the business environment, formulating objectives, evaluating alternate strategies and risk appetite. Risk appetite and tolerance are commonly misunderstood. The former is a critical part of a strategic discussions, and risk tolerance provides guidance for the execution of ERM. Risk aligned to strategy will more quickly identify the possibility of strategy and business objectives not aligning with mission, vision and values, and risk to executing strategy.
- **Performance** — ensuring risks are not treated as individual events and that risks are typically interconnected and a risk event can have multiple risk outcomes - this makes the portfolio view of risk an important feature of the Framework.
- **Review and revision** — moving away from a static risk management process to assessing substantial change. The Framework encourages a dynamic risk process that involves understanding and connecting to the changing world and business environment.
- **Information, communication and reporting** — particularly on risk culture and performance to board and



management. The quality of reporting to those charged with governance is key to ensuring they can exercise their oversight responsibilities.

COSO Next Steps

Although there are no planned updates to the ERM Framework, or the Internal Control – Integrated Framework (2013), which continues to be widely used to enable compliance with the Sarbanes-Oxley Act, COSO has released a compendium of ERM examples and is working on providing additional guidance in various areas.

COSO and World Business Council for Sustainable Development recently issued comprehensive and practical guidance on Applying ERM to Environmental, Social and Governance (ESG) Related Risks to reflect the increasing demand for information on ESG performance.

Potential new guidance is being considered in the following areas:

- ERM for cloud computing and the cyber age;
- Blockchain and its impact on internal controls and implications for ERM;
- Psychology and sociology of fraud;
- Assessment tools for risk; and
- Robotic process automation and artificial intelligence.

Three Lines of Defense Review Project

Francis Nicholson of the IIA, reported on the IIA’s review of The Three Lines of Defense in Effective Risk Management and Control. The IIA is assessing whether there is a shortfall between what organisations and their stakeholders need and what the current three lines model delivers.

Their aim is to issue a new position paper covering the key

elements of governance, including the importance and role of internal audit in an organisation’s activities to enhance and protect value.

The model is widely applied in larger companies, and particularly financial institutions. While some like the simplicity of the model, the IIA is seeking to address perceived deficiencies in the approach particularly focused on delivering organisational success, incorporating the structures and processes of governance, a more interconnected and integrated approach between the “lines”, and more widely applicable approach.

Potential areas of improvement to the model being considered include:

- Ensure the focus is more broadly on governance rather than risk management and control functions in isolation.
- Combine the performance governance responsibilities of value creation and protection with the conformance responsibilities. This might require a re-labelling of the model.
- Emphasise the need for collaboration and a coordinated approach across the lines and provide more detail on the distinctive contribution made by each function to organisational governance.
- Focus on activities and accountabilities as well as structure.
- Recognise where there is scope for flexibility in the application of the model, for example to the public sector.
- Alignment to other standard and Frameworks, for example from COSO. ●

★ **Stathis Gould is Deputy Director, Professional Accountants in Business, IFAC.**

ICAN Honours Great Achievers at the 2019 Annual Dinner & Awards

The 2019 edition of the Annual Dinner and Awards of the Institute held at Eko Hotel & Suites, Victoria Island, Lagos, on Saturday, April 13, 2019, was a gathering of who is who in Nigeria as great achievers were recognised and rewarded.

As usual, the event was colourful and specially packaged to celebrate individuals and corporate organisations that have really contributed immensely to the growth of the Institute and Nigeria as a country. The awards were presented to deserving individuals and corporate bodies in three categories of Members, Non-Members and Corporate Organisations.

In his speech, the 54th President of the Institute, Alhaji Razak Jaiyeola disclosed that the annual event was instituted for members to unwind, celebrate the Institute's successes and some achievers as well as discuss issues of professional and national interests.

In his welcome address, the Chairman of Publication and Image Committee (PIC), which organised the event, Mallam Haruna Yahaya disclosed that the annual dinner and awards was designed for members to interact and rob minds with their colleagues, friends and family members in a relaxed and serene atmosphere.

He emphasised that the awardees were carefully and diligently selected by the Annual Dinner and Awards Sub-Committee of the Publications and Image Committee (PIC) of ICAN and were duly approved by the Council of the Institute.

In the Members' Category, two people received the awards for their immense contributions to the accounting profession and the nation. They are: Otunba Abdul Lateef Adebayo Owoyemi, FCA (ICAN President 2005-2006) and Dr Awa Ibraheem, FCA – the Chairman, OAK Pensions.

In the Non-Members category, the Emir of Kano, His Highness Muhammad Sanusi II, the Sarkin Kano, was the only one honoured. He was honoured for his roles and contribution to the development of Nigeria's economy.

In the Corporate Body category, two accounting firms in the country namely Deloitte & Touche, Nigeria and KPMG, Nigeria were



His Highness, Emir of Kano, Mallam Muhammad Sanusi II receiving his award



Dr. Awa Ibraheem, FCA receiving his award



Mr. Fatai Folarin, FCA receiving ICAN award on behalf of Deloitte



Otunba Abdulateef Owoyemi, FCA (PP) receiving his award from ICAN President

honoured. They were recognised for their immense contributions to the economic and financial growth of the nation and their contributions to the development of the Accountancy profession.

1,631 New Members Inducted as President Urges Transparency

The Institute has inducted 1,631 new members into its membership at a colourful event at the ICAN Centre, Amuwo-Odofin, Lagos. Speaking at the 63rd Induction Ceremony held on May 9, 2019, the 54th President of ICAN, Alhaji Razak Jaiyeola, urged the new members to live above board while upholding the principles of Accuracy and Integrity.

He congratulated the new members having qualified as professional accountants after the rigorous qualifying examination of the institute, adding that Accounting as a profession is universally respected and internationally

recognised. He said: "I implore you to adhere strictly to the ethics and rules of professional standard of Accountancy profession and conduct yourselves as good Ambassadors of the Institute."

"You have chosen a highly rewarding discipline. If you apply yourselves to the demands of the profession, you would discover the vast opportunities open to you as Chartered Accountants. Specifically, I wish to encourage you to constantly update yourselves on the emerging disruptive technologies that are redefining business models across professions. These include Artificial Intelligence, Robotics, Machine Learning, Internet of Things and so on," he declared.

According to him, experts have predicted that those technologies would replace most of the repetitive jobs that Accountants do, adding that they would however create highly rewarding job opportunities for Accountants who can master and apply the technologies in their service deliveries to clients.

ICAN Elevates 1,301 Associate Members to Fellows

The Institute has elevated 1,301 Associate members to Fellows, the highest status of membership for those who have attained requisite experience and exposure in the profession.

While presiding over the Fellowship conferment ceremony in Lagos on April 23, 2019, ICAN President Alhaji Razak Jaiyeola, FCA, said the conferees were found worthy on the basis of "their compliance to global best practices in service delivery and value creation; unwavering commitment to ethical values of accountability, transparency, honesty and integrity as well as outstanding value-driven contributions to the development and growth of the Accountancy Profession."

He said the Fellowship award confers on the recipients



New members Induction ceremony

“a higher responsibility of remaining good ambassadors of ICAN and role models for upcoming Chartered Accountants.” He implored them to continue to espouse accuracy, integrity and trust in all their dealings.

“We are conscious of the fact that what makes a successful professional is not only a full grasp of the technical aspect of the profession but a seamless marriage between professional knowledge and the soft, but not less important, skills like integrity, honesty and diligence.”

The ICAN President implored all Chartered Accountants to upgrade their IT skills for continued relevance in the face of technological disruptions of the profession happening at an unprecedented speed which is changing the fundamentals on which professional activities once relied.

ICAEW, ICAN Parley on Africa’s Untapped Technological Potential

The Institute of Chartered Accountants in England and Wales (ICAEW) is parleying with the Institute of Chartered Accountants of Nigeria (ICAN) on how to develop the untapped technological potential in Nigeria.

The two bodies during a *Joint Economic Insight* organised in Lagos on April 18, 2019, with the theme **Nigeria: The African Giant Crawling Back on its Own and its Untapped Technological Potential** agreed that professional Accountants in Africa and Nigeria in particular should leverage on disruptive technologies in handling their duties.

In his welcome address, the ICAN President, Alhaji Razak Jaiyeola explained that the Economic Insight was one of the ways to solidify the long-established relationship between ICAN and ICAEW.



ICAN President Alhaji Razak Jaiyeola congratulating some new Fellows at the Fellowship awards

“ICAN founding fathers and some of our members were trained by the English Institute and we have over the years had exchange programmes aimed at jointly building capacity for the accounting profession in the respective countries. As part of the visit of ICAEW to Nigeria the two Institutes would consider signing a revised Memorandum of Understanding (MoU) to further enhance the existing good relationship and fruitful cooperation,” he expatiated.

In his own speech, the President of ICAEW, Mr. Paul Aplin expressed his Institute’s readiness to work with ICAN, adding that it was high time Nigeria moves ahead as far as emerging disruptive technologies such as Artificial Intelligence, Robotics, Machine Learning, Blockchain Technology and Internet of Things are concerned.

He said the collaboration with ICAN would equip members with the skills and competencies required to participate in the 4th industrial revolution.

109 New Specialists in Various Accounting Fields Inducted

The Institute has inducted 109 new specialists in four areas of accounting. They are: Certified Forensic Accountants under the Audit, Investigations & Forensic Accounting Faculty; experts in International Financial Reporting Standards (IFRS) of the Financial Reporting Faculty; Certified Insolvency Practitioners of the Insolvency & Corporate Re-Engineering Faculty; and Corporate Finance experts of the Corporate Finance Management Faculty.

In his remarks at the induction held in Lagos,



Vice President of ICAN, Mazi Nnamdi Okwuadigbo (left); President, Alhaji Razak Jaiyeola; and President, ICAEW, Mr. Paul Aplin at the Seminar

the 54th ICAN President, Alhaji Razak Jaiyeola, FCA, implored the new specialists “to continue to fly the profession’s flag of honesty, integrity and excellence with distinction in their respective spheres of influence.”

“You have joined the league of professionals who are no more generalists,” he said, adding that clients would look up to them for sound advice in the special areas of competence. He underscored the thorough trainings the inductees received which he said had adequately prepared them to face the challenging discipline of accounting.

According to him those who specialise in various aspects of accounting stand to gain distinct advantages including the opportunity to carve a niche for themselves as professionals in a particular field; effective and efficient deployment of skills and competencies for overall economic well-being and creation of an avenue for the judicious use of human and material resources, among others.

The ICAN Faculties are Audit, Investigations and Forensic Accounting; Consultancy and Information Technology; Corporate Finance Management; Financial Reporting; Insolvency and Corporate Re-engineering; Public Finance Management; as well as Taxation and Fiscal Policy Management.

Chairman, ICAN Canada Receives Financial Reporting Award

Mr. Kola Oladimeji, Chairman, ICAN Canada & District Society has received the Canadian Award for Financial Reporting, for the second consecutive year. Administered by the Government Finance Officers Association of the United States and Canada (GFOA) on behalf of Town of High River, the award underscores the town’s commitment to open and transparent reporting.

The award was presented to Mr. Oladimeji who is the Chief Financial Officer for the Town at the regular Council meeting held recently for its 2017 Financial Statement.

In his reaction, the Mayor of High River, Mr. Graig Snodgrass



ICAN President, Alhaji Razak Jaiyeola pose with some new specialists at the Faculty Induction

said: “the award shows the strength of the town’s financial team and its organisational excellence.”

Canadian Award for Excellence in Financial Reporting programme was established in 1986 by GFOA to encourage annual financial reports that show evidence of their spirit of transparency and full disclosure.

Alimosho & District Society Inaugurated

The Registrar/Chief Executive of the Institute, Mr. John Evbodaghe has called on ICAN members to uphold professionalism and high standards.

He made the call at the inauguration and investiture of Mr. Tunde Adesokan, as District Chairman, Alimosho & District Society of ICAN, in Lagos on May 11, 2019.

While reiterating the need for members to abide by professionalism and maintain integrity in their practice, he disclosed that the Institute believes that Accountants have a role to play in the war against corruption and in restoring Nigeria’s economy to its days of glory.

Evbodaghe who represented the ICAN President, Alhaji Razak Jaiyeola at the event, identified integrity, accuracy and accountability as the



Mr. Kola Oladimeji, receiving his award

Proud sponsors of the maiden ACCOUNTEKS

SoftTAX®

A Tax administration system complete with Tax payer management, revenue tracking and robust reporting.

REVENUE MANAGEMENT
Designed to optimise all types of TAX Revenue with accurate accounting, reconciliation and automated administrative processes.

DRIVES COMPLIANCE
Government through its collecting agencies can decentralize tax processes, achieve uniformity in the application of tax laws and policies.

MULTI-CHANNEL RETURNS PROCESSING
Taxpayers can now access their records from the web, mobile application or any tax office location.

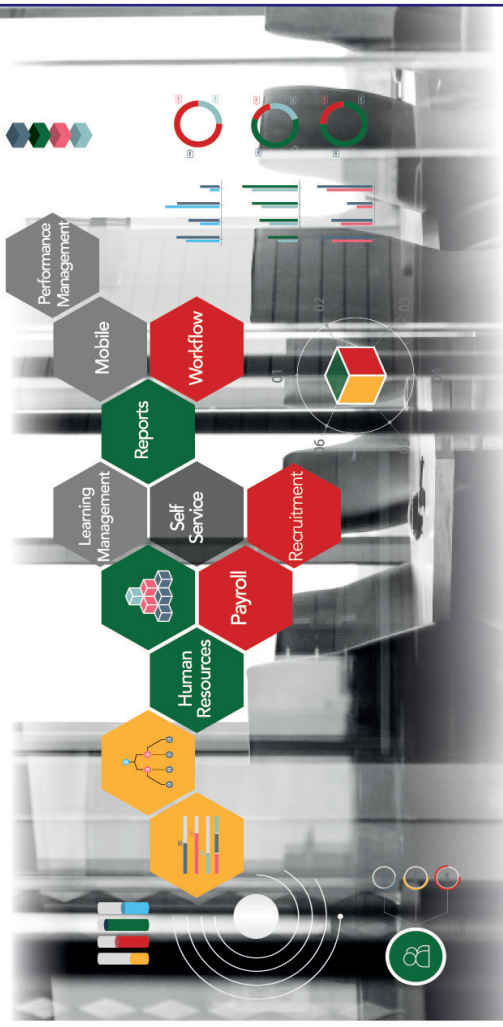
SEAMLESS PAYMENT PROCESSING
Taxpayers can make remittances, pay outstanding tax liabilities, penalties and interests via existing payment options

CROSS-PLATFORM COMPATIBILITY
SoftTAX is specially designed to be easily integrated with existing 3rd party solutions.

Soft Alliance

Soft SUITE®

Human Resources Management Solution



FEATURES

- Interactive dashboard.
- Advanced payroll management
- Responsive self-service portal.
- Time tracking & attendance.
- Learning management.
- Performance evaluation.
- Recruiting & applicant tracking.

BENEFITS

- Flexible deployment options (cloud and on-premise hosting).
- Mobile application enabled (iOS / Android).
- Reduce internal cost.
- Track and plan employees training and career progression.
- User access control.

CONTACT US

+234 701 999 9339, +234 812 993 7210 | support@softalliance.com | softalliance.com
 @SoftAllianceLTD f softalliance Soft Alliance

watchword of the Institute, and stressed the need for ICAN members to show high sense of ethical standards. He noted that the inauguration of district societies in communities would help the Institute disseminate its activities to societies at large.

“It is always great for us to have district societies. ICAN is a very large organisation and we have members spread all over the place but with district societies, it becomes small enough to contain all our members who are spread all over the country and in diaspora. Our watchword is Integrity and Accuracy and that means that in all that we do, we have to show very high sense of ethical standard and display integrity,” he said.

In his acceptance speech, the district chairman, Mr. Adesokan said the District would continue to develop its members technically to carry out their duties professionally.

“We have instituted a programme in ICAN for whistle blowing activities and this is the type of programme that we want to use to reshape the economy of Nigeria. “We are also working on eradicating quacks from the profession and as a result, we have put in a system to regulate our members through day to day trainings, he declared.

ICAN Holds 1st Accounting Technology Summit (Accounteks)

As part of strategic initiatives at ensuring that chartered accountants and professionals in other disciplines are adequately prepared for the fourth industrial revolution, the Institute organised the 1st Accounting Technology Summit (ACOUNTEKS) with the theme **Disruptive Technologies – The Game Changer for Businesses.**

In his welcome address, the ICAN President, Alhaji Razak Jaiyeola, disclosed that the world is witnessing unprecedented technological disruptions that are giving new meanings to how businesses should run, saying that failure to keep pace with the disruptive technological trend portends danger of extinction for any business entity or individual as the idea of “too-big-to-fail” has become an illusion.

“Interestingly, what we are experiencing might just be a tip of the iceberg. According to Clayton Christensen, “The reason why it is so difficult for existing firms to capitalise on disruptive innovations is that their processes and their business model that make them good at the existing business actually make them bad at competing for the disruption”, he stated.

He gave the example of the Blackberry that sold about 50 million devices in 2011, plummeted to selling just 4 million annually as at 2016, because its “business model” of physical keyboard could not compete with the touch screen of the likes of iPhone.

He also mentioned AOL’s Instant Messenger which unarguably was the first of all messaging apps but whose business model and strategy have gone under due to its failure to compete favourably with the likes of Microsoft’s Hotmail, Google’s Gmail, WhatsApp messaging and the likes.

“Imagine the experience of Steve Sasson, the Kodak Engineer, who invented the first digital camera back in 1975 – A filmless photography. Unfortunately, Kodak’s management’s reaction was, “that’s cute – but don’t tell anyone about it”. The leaders of Kodak failed to see digital photography as a disruptive technology with immense potentials. It was therefore not a surprise that Kodak filed for bankruptcy in 2012. Digital cameras have now been democratised and it is on everyone’s hand – your Smartphone. Imagine if Kodak had invested heavily in developing and marketing of digital camera as far back as 1975, the story of the one-time market leader would have been different, “Jaiyeola enthused.

Some participants disclosed that flying taxis have already been tested in Dubai as Cargo drones will become more economical than motorcycle delivery by 2020. Blockchain



Alhaji Razak Jaiyeola (middle) and other dignitaries at the 1st Accounting Technology Summit

technology were also said to have already been used to streamline the procedures for shipping exports, reducing the processing and handling times for key documents, increasing efficiency and reliability.

Participants also agreed that the way Uber, Taxify and similar others are changing commuting experiences in the society. They

said examples of disruptions are legion across all fields, be it accounting, banking, law, medicine, hospitality, security and so on.

It was disclosed further that in accounting and the financial services industry, Artificial Intelligence (AI), Robotics, Blockchain and Machine Learning are currently being deployed in loans automation, customers' relations, bank reconciliation, auditing, tax filing, financial advisory and assurance services.

"Many dedicated and repetitive tasks which were done by accountants like processing of accounts payable and receivables can now be easily handled by AI. This leads to improved cost management by companies. For instance, during an audit, auditors need not search file cabinets for documentation as they can easily have access to the digital files. This, in turn, increases accuracy and efficiency of audits and makes it possible to audit 100 percent of a firm's financial transactions, instead of just samples," the summit concluded.



Ogunjuboun

Awarded:

Sir Frederick Iyomade OGUNJUBOUN, FCA, ACTI, CFA, OOW, KJW was recently awarded the honorific of Knight of John Wesley (KJW) by the Methodist Church Nigeria in a colourful ceremony held in Lagos. A few years back, the Church had honored him with an award – Officer of the Order of The Wesleys (OOW). He's currently serving as the Lay President of the Diocese of Ikeja, Methodist Church Nigeria.

FROM OTHER BODIES

Gaylen Hansen to Chair IESBA's Consultative Advisory Group

Gaylen R. Hansen has been appointed chair of the Consultative Advisory Group (CAG) to the International Ethics Standards Board for Accountants (IESBA), effective July 1, 2019. His appointment, which has been approved by the Public Interest Oversight Board, follows his election by IESBA CAG members. He has served on the IESBA CAG representing the US National Association of State Boards of Accountancy since 2010.



Gaylen Hansen

As chair, Mr. Hansen will lead the IESBA CAG – an independent body of international organisations from the regulatory, corporate governance, investor, preparer and user communities, and other stakeholders – in providing strategic and technical advice to the IESBA in the public

interest. Mr. Hansen will play a key role in ensuring that the CAG's views are considered in IESBA deliberations.

For over a decade, Mr. Hansen served on the board of directors, and as chair from 2012 to 2013, of NASBA, a key participant in US accountancy profession regulation. He is also a founding member of NASBA's Center for the Public Trust, and represents NASBA on the International Auditing and Assurance Standards Board CAG.

Mr. Hansen is also a member of the American Institute of CPAs' Auditing Standards Board and a past member of its Professional Ethics Executive Committee. He is a past member of the US Public Company Accounting Oversight Board's Standing Advisory Group and a retired audit partner.

"I am honoured to have been elected IESBA CAG chair," said Mr. Hansen. "The CAG plays a vital role in enabling all those concerned in the work of, or services provided by, professional accountants to have a voice in the development and maintenance of standards that ensure a high level of ethical conduct. I look forward to shepherding the CAG's diversity of experience to assist the IESBA setting robust ethics standards."

Mr. Hansen will succeed Mr. Kristian Koftvedgaard, who has served as CAG Chair since July 2013. "I congratulate Gaylen on his appointment as CAG chair," said Mr. Koftvedgaard. "His experience and commitment working on ethics combined with his strong knowledge in audit, assurance and accounting issues is a great asset, and I am confident he will lead the CAG effectively in providing sound

strategic and technical advice.”

Commenting on Mr. Hansen’s appointment, Dr. Stavros Thomadakis, IESBA Chairman, said, “Gaylen is a veteran in policy matters relating to the accountancy profession. His experience will serve the CAG well in its objective to provide public interest input to our standards development work. I congratulate Gaylen and I very much look forward to working with him in his new leadership role. On behalf of the IESBA, I also thank Kristian for his outstanding contribution to our work and his strong leadership of the CAG over the years. I wish him continued success in his future endeavours.”

New Education Standard Focuses on Professional Development

The International Accounting Education Standards Board (IAESB) today released the revised International Education Standard (IES) 7, *Continuing Professional Development*. The standard clarifies the principles and requirements on how professional accountancy organisations measure, monitor, and enforce their continuing professional development systems. IES 7 (Revised) makes clear that all professional accountants must develop and maintain professional competence to perform their role.

“The transformative impact of new and emerging technologies, changing business models, and the dynamic environment in which we operate place new demands on the global accountancy profession,” according to Anne-Marie Vitale, IAESB Chair. “Continuing professional development is fundamental to addressing and advancing the learning and development that enable professional accountants to provide high-quality services to their clients. These revisions will help enhance the consistency, quality, and relevancy of professional accountants.”

The revised IES 7 places greater emphasis on learning and development needed for professional accountants’ roles and responsibilities rather than focusing on a minimum number of hours. Significant revisions include:

- Requiring professional accountants to record relevant continuing professional development (CPD);
- Clarifying the output-based measurement approach, which requires professional accountants to demonstrate competence;
- Clarifying the input-based measurement approach, which requires professional accountants to demonstrate competence by completing a specified amount of learning and development;
- Promoting the use of a CPD framework to provide an example structure and guidance to help professional accountants identify, undertake, and record relevant development; and
- Providing CPD measurement approaches with examples of related verifiable evidence to improve adoption.

Released concurrently alongside with the new standard are support materials that will assist professional accountancy organisations understand and apply the requirements and support all stakeholders, including educational organisations, employers, regulators, and government authorities. IES 7 (Revised) becomes effective January 1, 2020.

Anne-Marie Vitale to Lead Accountancy Education Board

Anne-Marie Vitale has been appointed chair of the International Accounting Education Standards Board (IAESB), effective January 1, 2019. Ms. Vitale is currently the IAESB deputy chair.

As chair, Ms. Vitale will lead the IAESB’s efforts in 2019 to complete top priority projects, including overseeing the exposure draft on proposed targeted revisions to the education standards addressing information and communications technologies and professional skepticism and related guidance.

Ms. Vitale will also continue her role as chair of the multi-stakeholder International Accountancy Education Transition Advisory Group that will inform the development and implementation of a future model for advancing global accountancy education. The future model will be agile, comprehensive and integrated, with a broader mandate than the IAESB, including a focus on future skills to remain relevant in an environment of rapid change.

Ms. Vitale succeeds Chris Austin as IAESB chair, who led the IAESB over the last four

years with distinction. “Anne-Marie is an exemplary leader with extensive experience across accountancy. Her skills, experience and commitment to high-quality accountancy education make her an ideal selection as the IAESB’s next chair,” said Mr. Austin.

“At the heart of the accountancy profession is high-quality education. There is tremendous opportunity for the profession to lead in the rapidly changing business environment. Completion of the IAESB’s top priority projects combined with the future model will provide the foundation on which the accountancy profession can succeed by providing high-quality services,” said Ms. Vitale.

Ms. Vitale brings a wealth of expertise to her new role. Currently, she is a partner serving in PwC’s Office of the General Counsel in a forensic capacity. She was also the learning and development leader for the assurance practice, and has more than 25 years serving emerging private and multinational public companies across multiple business sectors providing advice on a wide variety of accounting and reporting matters. ●



Anne-Marie Vitale

Discounts Rated – Accounting and Discount Rates Clash

While Solvency II ‘boxes in’ insurer discount rates, IFRS 17 sets them free – but the regulators aren’t happy

By AARON WOOLNER

In many ways, the changes applied to the Solvency II discount rate – which is the basis of valuing all cashflows – symbolise the insurance regulatory standard’s transformation from its principles-based origins to the rigid rules-based standard that came into force on January 1, 2016.

First came the extrapolation method for calculating long-dated cash flows in liquid markets, followed by the volatility and matching adjustment, resulting in a discount rate that – according to one leading consultant – leaves insurers ‘boxed in’ when it comes to valuing their liabilities.

Solvency II versus IFRS 17

The approach applied by the European Insurance and Occupational Pensions Authority (Eiopa) is so prescriptive, the regulator publishes a monthly set of interest rate structures to be applied to all insurers. These figures are based on the bond and swap rates of around 60 countries worldwide – including Liechtenstein, Taiwan and Colombia – according to the 130-page report published by Eiopa in January 2018 on the technical standards to be applied for determining interest rate structures



The difference between Eiopa and the International Accounting Standards Board’s (IASB’s) thinking on this results in substantial practical differences between the standards, according to Anthony Coughlan, director at PwC’s UK insurance

practice.

He highlights a number of points of divergence, such as the Solvency II volatility adjustment, which is not permissible under IFRS 17, and the approach to extrapolating the risk-free rate from a number of currencies. And it doesn't stop there.

"For annuity products – primarily in the UK and Spain – the Solvency II matching adjustment is a similar concept to an IFRS 17 top-down discount rate, but it would require revisions. The end result would be a significant difference between a Solvency II- and IFRS 17-compliant discount rate."

Another key difference between Solvency II and IFRS 17 is that the latter specifically allows expected cashflows from the product itself. Therefore, for a firm selling an asset-based policy, such as a unit-linked product, the discount rate chosen under IFRS 17 would reflect the expected return on assets.

But, for a product such as term insurance, the determinants of the discount rate would be metrics such as durations, currency and the liquidity of the assets supporting the product.

Preventing Figure Massaging

Several people Risk.net spoke to reported that the net result of such a major disparity in the approach to the discount rate in Solvency II and IFRS 17 meant it could be possible for insurers to use the greater IFRS discount rate flexibility to massage their IFRS 17 figures.

"The opportunity to calibrate this in a different way is real,"

Another key difference between Solvency II and IFRS 17 is that the latter specifically allows expected cashflows from the product itself. Therefore, for a firm selling an asset-based policy, such as a unit-linked product, the discount rate chosen under IFRS 17 would reflect the expected return on assets

says one. "But how many insurance companies in Europe will do that remains to be seen. There will be a discussion between those insurers and their auditors about whether a discount rate set under the prescriptive rules of Solvency II can also be valid for IFRS 17 and, if it is, whether the shareholders will actually like it."

Regulators appear to be aware of this point. Eiopa, for example, sent a letter in November outlining its response to IASB's decision to extend the implementation date. Despite welcoming the "paradigm shift" in accounting regulation that it said IFRS 17 represents, it went on to raise concerns over the differences in discount rates.

The letter goes on to state: "IFRS 17's principles on determining the applicable discount rate and risk adjustment

may have exceeded the appropriate level of allowing for entity-specific inputs and consequently may give rise to significantly different and potentially incomparable results."

Setting the Discount Rate

This received a scathing response from Andrew Carpenter, IFRS policy specialist at the Association of British Insurers. He said that, while the IFRS 17 discount may result in different end numbers for different companies, that is because it is intended to inform investors, not regulators or policy holders. Moves by groups such as Eiopa to influence this are therefore a clear case of going beyond their mandate.

"There have been calls from regulators for more prescription in setting the discount rate: both the European Securities and Markets Authority and Eiopa have raised this issue, among others, but we feel this is an example of regulators overreaching their responsibilities. Capital markets have their own dynamic," says Carpenter.

Capital markets are also global and, according to sources familiar with IASB's thinking, the body was conscious that it has a large number of member countries, and that the needs of all – not just European – members needed to be considered when setting out the discount rate, particularly given the market-driven nature of all other standards. That is the critical issue.

According to the IFRS website, it serves as a standard-setter for more than 150 economies globally – in places as diverse as Timor-Leste, Gambia and Iran – and, as such, has met a very diverse range of needs.

Crucially, of the 150 states IFRS says it provides accounting standards in, one exception is the US – the world's largest insurance market. Meanwhile, Japanese insurers – the second largest market – have the option of using IFRS 17 or a Japanese version of Generally Accepted Accounting Principles (GAAP).

In fact, the US Financial Accounting Standards Board is also overhauling its approach to accounting for insurance liabilities to roughly the same timeline as IFRS 17, meaning European insurers with US subsidiaries will have to overhaul two sets of [differing] accounting regimes at the same time.

Euro-centricity

However, William Gibbons, insurance asset-liability management specialist at PwC, is sanguine about the impact of these processes occurring at around the same time. US GAAP is different to IFRS already, and after the next round of changes it will be different in yet another way.

"In the context of European insurers, the reality is there is a difference today between US GAAP and IFRS GAAP, and there will just be difference between them in the future. Insurers were hoping for a global standard but, sadly, won't get that and instead it's effectively more of a European standard.

A number of Asian countries, including important markets like China, Korea and Hong Kong have already said they will adopt some form of IFRS 17 – but what exactly and when is not clear." ●

★ Culled from www.risk.net

BREXIT – A Test of Democracy

By FUNSHO AKIN-AGUNBIADE

In the June 2016 referendum, the question was asked whether Britain should leave or remain in the European Union (EU). Brexit became the official defining banner or slogan around which leavers coalesced. The word Brexit was coined from the words 'Britain' and 'Exit' and perhaps captures the wish of many to leave/exit the EU. A majority of 51.9 per cent voted to leave the EU, while 48.1 per cent voted to remain, handing victory to Brexiteers.

A variety of reasons has been attributed to the majority voting in favour of Brexit, including:

- The need to free Britain from EU restrictions, in order to strike free-trade deals with other, non-EU countries.
- The need to put an end to the free movement of EU citizens into Britain and that would enable the UK to set its own immigration policy.
- To restore Britain's sovereignty as an independent nation and put an end to the EU imposing Legislation and Directives on Britain.
- The need to put an end to the significant British contributions (estimated at £9bn a year) to the EU budget.

On the other hand, those who voted in favour of remaining ('Remainers') based their decision on arguments such as:

- Since the EU is Britain's biggest export market (45 per cent), Brexit will harm the country's economy in many ways. For instance, British jobs associated with trade with the EU will be put at risk, exports will fall, and inward investment will decline. Ultimately, this will result in reduced growth.
- The freedom of movement of capital and labour resulting from EU membership is beneficial to Britain's economy and aids growth.
- EU citizens in Britain are significant contributors to economic growth, through employment and taxes.
- EU membership has helped guarantee peace in Europe, by linking the economies and political institutions of its members, thus reducing the likelihood of wars among member states.
- As part of the EU, Britain's voice carries more weight on

the international stage, than if it acts on its own.

- Brexit increases the risk of breaking up the British union of Scotland, Wales, England and Northern Ireland, where Northern Ireland becomes part of a united Republic of Ireland.

In the prelude to the referendum, the then Prime Minister, David Cameron, whose government was in favour of remain, spent £9m of government funds on pro-remain leaflets to every UK household. In spite of this, the majority voted to leave. It is therefore incumbent on the government to implement the will of the people, as expressed in the referendum decision. The government of Theresa May, who succeeded David Cameron as Prime Minister, set the wheels of withdrawal in motion by serving notice on the EU, in accordance with Article 50 of the Treaty of the EU, which allows two years to complete the departure process. This notification was served in March 2017, resulting in a departure date of 29 March 2019.

However, the government has since discovered that it is neither simple nor straightforward to implement the referendum decision, as all sorts of complications have beset the attempt to quit the EU on the departure date.

Given the results of the Referendum what options are now available to Britain?

— **To accept the deal agreed with the EU by Theresa May on 14th November 2018;** that is, the draft withdrawal agreement negotiated between the European Union and the United Kingdom, which is uniquely problematic because of the four nations (England, Scotland, Wales and Northern Ireland) that make up the UK, voted differently in the referendum.

One of the controversial issues in the deal is the inclusion of the Irish border backstop agreement which will prevent a hard border between Republic of Ireland (Independent country outside UK and part of EU) and Northern Ireland (which is part of UK). Additional customs checks on all agri-food imports and goods from UK mainland will also take place.

Brexiteers see this proposal as being trapped indefinitely in the Custom Union with the EU, forcing them to accept

EU rules. Instead of taking back control of UK laws and regulations, the prime minister's proposal will in effect cede control to the EU.

The Democratic Unionist Party (DUP) – the largest party in Northern Ireland supported Theresa May at the last election that secured her majority in the parliament, are also unhappy with the deal. They believe that customs arrangement including additional checks of livestock and food crossing the Irish Sea, will breach their red lines on identical treatment for Northern Ireland.

— **To leave the EU without a deal by 29 March 2019.** This will be the default position if the PM or UK cannot strike a deal with the EU (i.e. Article 50 will be triggered). Article 50 contains five-point plan that the UK or any EU member (as per Lisbon Treaty) need to adhere to in order to exit the EU. Remainers see leaving the EU without a deal as a recipe for disaster because of the damage that they perceive it will do to businesses and citizens who have not been given time to plan for it.

— **To delay leaving the EU by seeking extension to Article 50.** Some believe this will allow time to negotiate a better deal. While some believe a deal that has not been achieved in the last two years is not going to be much improved in few months. However, the EU has been known to agree to deals at the last minute.

— **To hold another referendum.** The Remainers have always argued that a lot of people did not know why they voted and the consequence of their votes. Hence there should be another referendum now that more information is available. One will wonder what the Leavers will say if they lose? Will another election be held to satisfy them too?

Summary

Referendum is an example of a direct participatory democracy as opposed to representative democracy, which is the system practiced in many democracies such as Britain.

Referendum expresses the collective voice of the people on specific issues, which cannot be ignored, and it is the responsibility of Parliament to set outways and manner in which to implement the Referendum result.

Some may question the basis of the referendum and argue that people did not know what they were voting for: that campaigners lied to the citizens, that a wide range of independent experts say Britain is stronger in Europe and leaving the EU would have massive negative impact on the economy, etc. But David Cameron (the former PM) spent £9m of taxpayers' money on leaflets to inform the public about all the issues and set the case for a Remain vote on 23 June 2016.

The fact is all the campaigners (Leave and Remain) were economical with the truth and not all the experts' views were negative but the worst scenarios that made the headlines about the risk of leaving, has been exaggerated and described as 'project fear' by leavers. Leavers regard 'project fear' as scaremongering and pessimistic by the Remainers. Yet, one cannot rule out the short-term downturn that Brexit may have on the British economy – such as the likely reduction in UK's real

per-capita income level. No doubt the uncertainty surrounding Brexit may have some negative impact on the economy in the short term, however in the long run a country with solid infrastructure like the UK will have alternative options: such as – the Canadian Option; almost completely tax-free trade in goods, not being subject to EU laws, not compelled to free movement and can still negotiate deals with the rest of the world. Or to leave the EU without a deal and trade with the rest of the world under the World Trade Organisation (WTO) rules.

Conclusion

One thing that is certain about Brexit is uncertainty:

— Uncertainty in the economy if Britain leaves the EU and the effect on the political stability of Northern Ireland if movement of people is restricted between Republic of Ireland and Northern Ireland.

— Potential political uncertainty if Britain remains in the EU against the decision of the majority to leave because the Leavers will demand that the result of the Referendum should be upheld.

The British citizens have redefined the future of the UK via the Referendum. So the country as a whole should stand on the democratic decision of the majority (which is fundamental to the credibility of the democratic process) and secure a deal with the EU or leave without a deal to secure global opportunities for the UK under the WTO with other countries such as America, Japan, China, India and other Commonwealth countries like Nigeria. Trade agreements with Commonwealth countries will be different from the colonial days because the members are now more informed and better equipped (with improved institutions, infrastructures & technology) to strike a better bargain for their countries.

The Brexit mandate is not just about economic gains. It is about the will of the people, but which should be managed to accommodate the fears of those who voted to remain.

References

Dunt, I., (2018), 'BREXIT – What the Hell Happens Now,' 2018 Edition.

<https://www.spiked-online.com/2018/11/23/if-brexit-is-finished-then-so-is-democracy/>

https://www.bloomberg.com/amp/opinion/articles/2018-12-06/brexit-a-test-for-humanity#referrer=https%3A%2F%2Fwww.google.com&_tf=From%20%251%24s

<https://www.theguardian.com/business/2019/feb/12/mark-carney-brexit-bank-of-england-uk>

<http://dcubrexitinstitute.eu/2018/10/what-are-the-likely-implications-of-brexit-for-africa/>

<https://www.theguardian.com/politics/2019/jan/02/may-to-provide-clearer-language-brexit-backstop-says-hunt>

<https://blogs.spectator.co.uk/2017/07/if-brexit-doesnt-happen-then-britain-isnt-a-democracy/> ●

★ **Mr. Funsho Akin-Agunbiade, MSc., FCCA, ACA is an Associate member of ICAN.**

AFRICA'S TOMORROW: Role of Effective Institutions, Infrastructure & Technology

By OMUSA BABA OHYOMA

INTRODUCTION

'We must not slow down. Africa's time is now!'
(Akinwumi Ayodeji Adesina, 2017)

"The secret of the wealth of nations is clear. Developed nations add value to everything they produce, while poor nations export raw materials. Africa must quit being at the bottom of the global value chains and move to rapidly industrialise, with value addition to everything that it produces. Africa must work for itself, its people, not exporting wealth to others" (Akinwumi Adesina 2017).

Growth is sustainable only where institutions are strong and effective. Institutions have great impact on the development of a country. In Africa, law enforcement, corruption, political interference are at their peak. Drive towards infrastructure development is very weak or non-existent.

SCOPE OF THIS ARTICLE

In this article, the role of effective institutions is discussed. It also looks at factors considered crucial to the creation of effective institutions, the reasons for weak institutions, and potential solutions. The role of professional accountants in building strong infrastructure in Africa is discussed, why it is a challenge for 'Third World' or developing economies to have effective institutions, and what can be done to change this intractable long age predicament.

WHAT CONSTITUTE EFFECTIVE INSTITUTIONS

Effective institutions play important role in the development of the economy. Factors that can lead to effective institutions include:

- Cracking down on fraud and corruption is important to effective Institution



building.

- Adapting reforms to suit local context. The tendency to draw on Western normative models overlooks important contextual dimensions. These might be political or cultural to avoid being overly ambitious, unrealistic and poorly targeted projects that simplify the complexity of institution-building.
- Strong Institutions require that the right of the people to information on matters of public concern are recognised.
- Access to official records, documents and papers pertaining to official acts, transactions, or decisions and basis for policy development should be afforded the citizenry, subject to limitations as may be provided by law.

WHAT ARE INFRASTRUCTURES

Infrastructure refers to the fundamental facilities and systems serving a country. They help in the provision of services and facilities important for the nation's economy to function. When the infrastructure of the country is good, the country can harvest its full potentials. They play vital roles in the economic development of the country. For better infrastructure, it is important to have visionary leaders that are honest and have integrity to plan for the success of the country's economy (Hastings 1970). Examples of infrastructures include facilities for transportation, communication, water and sewage system, electricity to power industries, airports, roads, sidewalks/paths and bridges.

WHAT IS TECHNOLOGY

Technology is the collection of techniques, skills, processes, and methods used in the production of goods or services. Technology is the way we apply scientific knowledge for practical purposes. It can be used in various ways and deployed in everyday activities we undertake. It also makes our work easier, saves us time and makes our work more productive.

TECHNOLOGY AND INFRASTRUCTURE ON EFFECTIVE INSTITUTIONS

Technology and infrastructure are a good combination of tools to aid effective institution especially when deployed to support the right policies and programs for good governance.

Absence of Infrastructure and Technology can be a barrier to successful economy. Effective deployment of a combination of these can be a catalyst for poverty reduction. Law enforcement to support strong Institution is better served by effective deployment of technology.

WHAT CREATES WEAK INSTITUTIONS

'Building strong and effective institutions are considered the essential foundation for the achievement of Sustainable Development Goals or SDGs (UK-UN publication 2018). Government institutions play important role in shaping and incentivising the way society and organisations behave by

setting the 'rules of the game'. These rules guide economic and political interactions, determine how goods and services are delivered, shape how budgets are spent, and regulate the justice system, but rules of the game are by themselves not always effective especially where the rules are not enacted or enacted but not enforced. The result is that resources are wasted, services are not delivered, and the 'normal' people bear the brunt of the failures.

In *Democracy, Governance, and Economic Performance*, Yi Feng (2003) provide a panorama of some great puzzles. Why some countries are rich and others poor, importance of political systems to economics and whether political forces affect

“ Ignoring the role of finance professional would be at the nation’s peril. Finance professional can... expose bad practices and allow informed management decisions to be made as well as deploying better ways of financing and delivering goods and services. Accountants can be political influencers without being partisans ”

economic performance. Feng concluded that politics affect economics. That political instability and policy uncertainty adversely affect economic growth. Feng further believes there is a causal flow from political freedom to economic freedom, not vice versa. Feng notes that a democracy with little prospect of regime change does not foster the spirit of equal opportunity that can inspire scientific breakthroughs buttressed by academic freedom (p.211). All these militate against building strong and effective Institutions.

World Development Report by World Bank (2011), makes a strong case for the link between weak institutions and conflict, showing that ineffective governments are more likely to experience extreme violence. All these build compelling arguments for why better or strong institutions are a good thing.

According to Rodrick (2007), building effective Institutions have proven difficult in Africa. African countries and Western supporters often adopt cookie-cutter approaches. This is where Western normative models are taken as the starting point for reform, selecting solutions based on a deficit analysis and implementing those solutions in the name of best practice. This is deeply flawed, says Rodrick. Countries can take multiple paths to developing institutions and do not have to follow alien norms. Rodrick further maintains that 'institution-building is context specific, meaning that while general ideas around institutions may travel well; the specific dimensions of better institutions may not. The idea that we can take blueprints and export them, therefore, is intellectually lazy'.

THE ROLE OF PROFESSIONAL ACCOUNTANT IN BUILDING STRONG INSTITUTIONS

A professional Accountant has a critical role in supporting the

nation to establish financial management rules and regulations for stronger institutions. Decision making is inextricably linked to financial resources. Good financial management and advice are critical to accountability and strong institutions. The role of a finance professional as an enabler in building effective Institutions and service transformation transcends financial reporting. Linking project progress with budget releases, retrospective review of output with approved plan, prospective forecasts, punitive out of budget expenditure penalties and generally strengthening and enforcing income and expenditure monitoring framework through robust written guidance and internal control procedure.

Ignoring the role of finance professional would be at the nation's peril. Finance professional can, for example, be proactive in coming up with business case reports and challenge the way Ministries and Parastatals have traditionally done things, expose bad practices and allow informed management decisions to be made as well as deploying better ways of financing and delivering goods and services. Accountants can be political influencers without being partisans.

CONCLUSION

Institutions impact heavily on the development of a country. In Africa, weak law enforcement and political interference on Institutions are the norm, infrastructure development is very weak and reduction in poverty and increase in economic growth are near impossible. The role of professional accountants is also very important in this regard because growth of one's country depends on its effective institutions. Infrastructure and accountants are necessary components. Strong Institutions enable ordered thought, expectation, and action by imposing form and consistency on the nation's activities. Institutions both constrain and enable behaviour. The existence of rules implies constraints. Effective Institutions do not happen by themselves. There must be a change in citizen's mindset to believe that it is not cool to misuse or divert public resources for personal benefits. Citizens must see it as a duty to abide by the highest standards of probity in dealing with public finances.

In the case of Nigeria, the government of the day has implemented certain measures to enhance the effectiveness of institutions to fight corruption. Some of these are Treasury Single Account (TSA), Bank Verification Number (BVN) and the Federal Ministry of Finance whistle blowing policy. These encourage report of financial and related crimes to the relevant authorities like the Economic & Financial Crimes Commission (EFCC) and the Independent Corrupt Practices and Other Related Offences Commission (ICPC).

REFERENCES

<https://www.afdb.org/en/news-and-events/the-time-for-africa-is-now-we-cant-slow-down-we-must-quicken-the-pace-adesina-17011/>

INDUSTRIALISE AFRICA: Strategies, Policies, Institutions, and Financing African Development Bank Group, 2017, https://www.afdb.org/fileadmin/uploads/afdb/Documents/Generic-Documents/industrialise_africa_report-strategies_policies_institutions_and_financing.pdf

A UK-UN Publications on Achieving Sustainable

Development Goals, 2018 edition, <https://www.sustainablegoals.org.uk/building-effective-institutions/>

The Independent Review of a Journal of Political Economy 2005, Volume 10, Number 2, Re: Yi Feng, Cambridge, Mass MIT Press 2003 Democracy, Governance, and Economic Performance, <http://www.independent.org/publications/tir/article.asp?id=551>.

World Bank, Economic Growth in the 1990s: Learning from a Decade of Reform, 2005; United Nations: Is Good Governance Good for Development?, 2012.

World Bank 2011, **World Development Report 2011: Conflict, Security, and Development**, World Bank © World Bank, <https://openknowledge.worldbank.org/handle/10986/4389> License: CC BY 3.0 IGO.

Rodrick, 2007 **'One Economics, Many Recipes' in Globalisation, Institutions and Economic**.

Andrews and Bategeka, **Overcoming the Limits of Institutional Reform in Uganda**, 2013.

Good Practices and Lessons Learned from Enhancing Public Access to Information on Climate Change in the Philippines, https://unfccc.int/sites/default/files/2_philippines_magalang_s.pdf

Aranya, Nissim J. Pollock Joel Amernic, **"An Examination of Professional Commitment in Public Accounting"**, *Accounting, Organisations and Society Journal*, 1981: 271-280.

Collins, Marilyn and Robert Bloom, **"The Role of Oral History in Accounting"**, *Accounting, Auditing and Accountability*, 1991.

Ercan, Tuncay, **"Effective Use of Cloud Computing in Educational Institutions,"** *procedia-social and behavioural sciences* 2.2, 2010: 938-942.

Greenwood, Royston, Roysuddaby and Christopher Hinigs **"Theorising Change,"** *Academy of Management Journals*, 2002: 58-80.

Haas, Peter M., **"Institutions for the Earth,"** Sources of effective international environment protection, 1993.

Hastings, Anthony and C. Robert Hinings, **"Role Relations and Value Adaption,"** *Sociology*, 1970: 353-366.

Kesselman, Foster Ian and Carl, **"Globus,"** *The International Journal of Super Computer Applications and High-Performance Computing*, 1997: 115-128.

North, Douglass C., **"Institutions,"** *Journal of Economic Perspective*, 1991: 97-112.

Przeworski, Adam, **"Democracy and Development,"** *Political Institute and Wellbeing of World*, 2000: 1950-1990. ●

★ ABOUT THE AUTHOR

Before venturing into Public Practice, Omusa Baba Ohyoma, BA (Hons), MBA, MSc, CPFA, FCCA, FCA specialised in Public Sector Finance with several years of experience working with large public sector organisations, elected politicians, Chief Executive Officers and Directors of Finance on public sector finance, including emerging issues. He is a Past Chairman of ICAN UK.

Trends in Disclosing Non-Financial Information

By ANTONI GÓMEZ

Is financial information the most relevant information to stakeholders? Certainty not always. Companies and other organisations disclose information to a wide range of stakeholders and, for many of them, non-financial information is of more interest than financial information.

Transparency is a global trend in society. Customers and the public are generally concerned about the behaviour and operations of organisations. Matters such as human rights, sustainability, ethical conduct, anti-corruption and respect of laws and regulations are considered very important. The positive contribution of entities to welfare is also highly significant for society.

Disclosure of non-financial information has become compulsory for companies of certain sizes and jurisdictions and an extended practice in others. In Europe, under Directive 2014/95/EU, large companies (more than 500 employees) must publish reports on the policies they implement in relation to: environmental protection, social responsibility and treatment of employees, respect for human rights, anti-corruption and bribery, and company board diversity (in terms of age, gender, educational and professional background).

In Spain, for example, non-profit organisations of all sizes are obligated to disclose specific “general interest” information including: criteria used to select beneficiaries of their activities, gender detail of users of their activities and information about how they have applied equal opportunities policies.

Compulsory disclosure of non-financial information could be the answer to the significant societal demand for greater transparency. In satisfying this demand, companies and other organisations, including those in the public sector, can increase the trust in and reputation of the entity; both of which are very valuable intangible drivers of value.

The International Integrated Reporting Framework developed by the International Integrated Reporting Council (IIRC) offers a six capitals model that can be used as a guide in considering a broader perspective of value creation while taking into account the range of capitals or resources (financial, manufactured, intellectual, human, social and relationship, and natural capital) that an organisation depends on for its success.

Specifically, for small and medium-sized entities (SMEs), integrated reporting and integrated thinking (the active consideration by an organisation of the relationships between its various operating and functional units and the ‘multiple capitals’ that the organisation uses or affects) offer the chance

to better understand the drivers of business value. Integrated reporting and thinking also presents the opportunity to disclose and manage essential elements that create value for the organisation. Integrated reporting may not be fully applied by an SME, but the guidelines offer a very useful tool. IFAC and IIRC developed a practical document to help SMEs, including non-profits adopt integrated reporting and realise its benefits ‘*Creating Value for SMEs through Integrated Thinking*’.

In Spain, entities that typically undertake the reporting on a voluntary basis are specifically those that in some way manage activities related to the community, such as hospitals, schools, elderly residences, and sport facilities. For these entities, non-financial information is more relevant for interested stakeholders than financial information. Even in terms of return on investments and financial solvency, sustainable success will depend more on social impact of entities and their activities than financial matters. For example, the Barcelona Beta Brain Research Center.

Professional accountants have a significant role in this field. Helping entities to obtain, organise, analyse and present relevant information when appropriate while providing assurance on the disclosed information.

Society is demanding more transparency and information on the activities and operations of companies and organisations. Accountants and auditors shall serve the public interest by promoting and addressing this social demand.

The Global Knowledge Gateway has a number of useful articles and videos on both integrated reporting and integrated thinking:

- *The Use and Usefulness of Integrated Reporting*
- *Insights into Integrated Reporting*
- *How Can SMEs Implement Integrated Reporting? A Starter Kit*
- *Integrated Thinking: A Pillar for Integrated Reporting*
- *4 Key Steps for CFOs to Instill Integrated Thinking and Reporting*
- *Integrated Thinking & Reporting Requires Trusted Advisors: Guiding Your SME Clients*
- *Integrated Reporting (IR) Longs for Finance Professionals*
- *A Call to Action: Walk the Talk on Integrated Reporting*
- *The Case for SMEs to Consider Integrated Thinking and Reporting.* ●

★ Antoni Gómez is the Chairman of Auren & IFAC SMP Committee Member.

Valedictory Address

By Alhaji RAZAK A. JAIYEOLA

at the SPECIAL COUNCIL MEETING held on Monday, June 3, 2019

INTRODUCTION

From the beginning, we set ambitious targets for the Institute on key areas including the defence of ICAN Act; reinforcing support for government's anti-corruption crusade; promoting the ICAN brand; Digitising ICAN; promoting entrepreneurship; playing more visible roles in ABWA, PAFA and IFAC; and engaging regulators to enhance quality of financial reporting.

In pursuant of our objectives and in the interest of the economy, we raised advocacy on the need to guard the noble accounting profession from infiltration by people who lack the requisite skills and competencies.

The inaugural result of ICAN Accountability Index (ICAN AI) showing all the states and Federal government was presented at the 48th Annual Accountants' Conference and later followed with a public presentation of the printed copies. Let me add that (IFAC) fully endorsed as follows:

Publication of the ICAN Accountability Index Report

The International Federation of Accountants (IFAC) congratulates the Institute of Chartered Accountants of Nigeria (ICAN) on the publication of the first ICAN Accountability Index Report.

Accountability is one of the most powerful results of a strong public sector. IFAC supports ICAN in its work to track public financial management within Nigeria, as the country pursues greater transparency to strengthen its economy and improve the lives of its citizens.

***— Alta Prinsloo
Executive Director, IFAC***

This ICAN AI holds huge potentials at contributing to the current fight against corruption in our country. It is also noteworthy that we were in Zimbabwe in April, 2019, under the auspices of IFAC, to share our experiences in order for Zimbabwe to leverage on those experiences.

As a major player in Nigeria's economic value chain, we

had two Stakeholders' Fora where we dwelt on the issue of Corporate Governance amongst business entities. ICAN believes strongly that for the country to become an investment destination for both local and foreign investors, we must develop a robust Corporate Governance Code aimed at protecting investors' capital. As a result, we had an extensive review of the 2018 Nigerian Code of Corporate Governance (NCCG) and developed our position on the contentious areas in the Code. Our position was thereafter submitted to the Financial Reporting Council of Nigeria (FRC).

We pursued with vigour our advocacy agenda by paying courtesy visits to several government functionaries, private sector institutions, academic communities and traditional rulers. For instance, on October 19, 2018, the Institute paid visit to President Muhammadu Buhari, GCFR. In our Address, ICAN strongly appealed to him not to sign any Bill that seeks to further fragment the Accountancy Profession. We also raised issue of prompt passage of country's budgets, 65% of revenue being spent to service debts, the ratio of capital to revenue which currently is about 30/70, security of life and properties and other pertinent issues.

In addition, we held several press conferences and media interviews on topical issues covering Corporate Governance, Disruptive Technologies, Tax policy, Anti corruption crusade, Forensic Accounting, Increasing Debt Profile of the nation, etc.

Our Council approved a Tax Strategy whose objectives include influencing the tax system positively in all key areas of tax policy, legislation, administration and adjudication; setting standards and guidelines for tax practice in collaboration with other relevant bodies and; promoting transparency and accountability in the tax system for the overall good of society.

The ICAN's Disciplinary Tribunal considered a total of twelve (12) cases and one (1) application for reinstatement. Some were concluded and a member was re-admitted after serving suspension for three (3) years. Seventeen (17) cases were also concluded by our Students' Investigating Committee with different sanctions meted out.

We organised the 1st Accounting Technology Summit (ACCOMTEKS) to build the capacity of our members in the

emerging disruptive technologies for the economy. Equipped with this knowledge, Chartered Accountants would be able to serve clients more efficiently, expand their clients' base beyond the shores of the country and contribute to national growth. In the process, they would create jobs for other accountants and non-accountants thereby contributing to finding a lasting solution to the perpetual unemployment problem in the country.

- We also introduced Teleconferencing/e-Meeting solution across the three office locations in Victoria Island, Ebute-Metta and Abuja. The facility has provision for mobility and remote sign-on. It also makes management of meetings flexible and cost efficient.
- We commenced on screen marking this May diet as an improvement and world class alignment being a solution to meeting the growing student population sitting for the ICAN examination and for prompt release of results. It is also very cost effective.
- I am glad to report to you that there has been a significant leap in the level of implementation of the Navision software on ERP which has been deployed to improve the Institute's service delivery and market competitiveness.

We played active role in all the regional and international accounting bodies that ICAN belongs. These include the Association of Accountancy Bodies in West Africa (ABWA), Pan African Federation of Accountants (PAFA) and the International Federation of Accountants (IFAC).

ICAN was admitted into the Chartered Accountants Worldwide Forum in 2018. The main objectives of the Forum include networking with Chartered Accountants across the world; discussion of common challenges and sharing of solutions and; increasing the brand of Chartered Accountants worldwide.

The Institute was represented by a 477-strong delegation to the premier international accounting Conference tagged World Congress of Accountants (WCOA) held in Sydney, Australia in November 2018. Nigeria won the second largest delegation after Sydney the host country and a member, Mr Bucky Agarry, won a recognition award as the Special Martial Art Champion.

We deepened our Reciprocity Arrangements with other renowned accounting bodies across the world as well as initiated new ones. With reciprocity in place, ICAN members would no longer have to repeat all the examinations of those bodies before becoming members. This would facilitate employment opportunities for our members abroad.

Based on what IFAC described as "ICAN's sustained high levels of SMO fulfillment", the Institute has been elevated

to the elite class of the PAOs that will be submitting its SMO Action Plan once in 4 years. As an outcome of this upgrade, ICAN's mentoring of other Professional Accounting Organisations (PAOs) has been given further boost.

CONDOLENCES AND TRIBUTES

In the course of the year, the cold hands of death snatched some of our members and finest accountants in our country. We commiserate with the families, friends and professional colleagues of the departed and pray that their souls continue to find eternal repose.

Specifically, I wish to mention the following:

▶ Late Chief (Dr.) Mrs **Olutoyin Olakunri**, OFR, FCA (MB000142), Past President (1994 – 1995).

▶ Chief **Olusola Faleye**, OFR, FCA (MB000275), Past President (1982 – 1983).

▶ His Excellency, Late Chief **Ugochukwu Stephen Nwankwo**, FCA, (MB No: 001210), Past President (2001 – 2002).

▶ Alhaji **Idris Onaolapo Sulaimon**, FCA (MB281), Past President (1981 – 1982).

▶ Late Mrs **Folake Onabolu**, FCA, (MB2825), Chairperson, The Society of Women Accountants of Nigeria (SWAN).

CONCLUSION

It has been a great privilege to lead one of the largest accounting professional bodies in Africa. In the last one year, we have sustained our tradition of **Accuracy and Integrity** as espoused by the Institute's motto.

Our humble achievements would have been a mirage without the support of our numerous stakeholders. Once again, I thank the Founding Fathers of our great Institute, the Body of Past Presidents, members of the Presidency, Council members, the management and staff of ICAN, ably led by the Registrar/Chief Executive, Mr John Evbodaghe, FCA and the entire membership of the Institute. I equally want to place on record other stakeholders and institutions that opened their doors to us during the Presidential year. These include government functionaries, Ministries, Departments and Agencies (MDAs), private sector institutions, the academic community and our traditional institutions.

Alhaji Razak A. Jaiyeola, BSc., ACFE, CRISC, FCA
54th President

June 3, 2019

DIRECTORY OF DISTRICT SOCIETIES/ CHAPTERS CHAIRMEN & SECRETARIES

DISTRICT SOCIETIES

S/N	NAMES	CHAIRMEN	SECRETARIES
1.	ABA & DISTRICT abadistrict@ican.org.ng	Elder Innocent Anyahuru, FCA Chidi Ajaegbu ICAN Centre, Opposite Mefco Filling Station, along Aba-Port Harcourt Expressway, Aba, Abia State. Tel: 08033169122 E-mail: ianyahuru@gmail.com	Mr. Imoh C. Benson, ACA Dept. of Accounting, Abia State Polytechnic Aba, Abia State. Tel: 07034861176 E-mail: imoh.benson3@gmail.com
2.	ABAKALIKI & DISTRICT abakalikidistrict@ican.org.ng	Mr Emmanuel Akwakwa, FCA ICAN, Abakaliki District Office, No. 7 Water Works Road, Adjacent Mr. Biggs, Abakaliki, Ebonyi State. Tel: 08037805177 E-mail: emmakwakwa2009@gmail.com	Mr. Odo Gabriel Oyibe, ACA ICAN, Abakaliki District Office, No. 7 Water Works Road, Adjacent Mr. Biggs, Abakaliki, Ebonyi State. Tel: 08035734227 E-mail: oyibeodo@gmail.com
3.	ABEOKUTA & DISTRICT Abeokutadistrict@ican.org.ng icanabeokutadistrict@yahoo.com	Deacon Benjamin Bolarinwa, FCA Plot 7, Block A XVIII, Along Presidential Boulevard, Oke Mosan, Abeokuta, Ogun State. Tel: 08033441242 E-mail: atiladeb@yahoo.com	Mr. David Olufemi Abiola, ACA, Plot 7, Block A XVIII, Along Presidential Boulevard, Oke Mosan, Ibara, Abeokuta, Ogun State. Tel: 08035395751 E-mail: femiabiola2015@gmail.com
4.	ABUJA & DISTRICT abujadistrict@ican.org.ng	Mr. Oluwafunminiyi Akande, FCA Akintola Williams House Plot 2048, Michael Okpara Way, Wuse Zone 7, Abuja. Tel: 08092001804 E-mail: niyiakande96@yahoo.com	Alhaji Balogun Abdulrasheed ACA Akintola Williams House Plot 2048, Michael Okpara Way, Wuse Zone 7, Abuja. Tel: 08036096655 E-mail: balorash@yahoo.com
5.	ABRAKA & DISTRICT abrakadistrict@ican.org.ng	Mr. Sylvester Okoh, FCA Internal Audit Department, Delta State University, Abraka, Delta State. Tel: 08036689795 E-mail: sylverokoh@yahoo.com	Mr. Martin Denedo, ACA Internal Audit Department, Delta State University, Abraka, Delta State. Tel: 08037761258 E-mail: denedo_martin@yahoo.com

S/N	NAMES	CHAIRMEN	SECRETARIES
6.	ADO-EKITI & DISTRICT adoekitidistrict@ican.org.ng	Mrs. Funmi Alonge, ACA District Secretariat, Eyegba House, No. 2, Aremu Street, Ereguru, Ado Ekiti, Ekiti State. Tel: 08033755210 E-mail: alongefunmi@gmail.com	Mr. Johnson Bamisaye, ACA District Secretariat, Eyegba House, No. 2, Aremu Street, Ereguru, Ado Ekiti, Ekiti State. Tel: 08034256706 E-mail: bamisayejohnson38@gmail.com
7.	AKURE & DISTRICT akuredistrict@ican.org.ng icanakure@yahoo.com	Mr. Peter Akingbade, FCA Akure & District Society of ICAN, ICAN House, Alfred Rewane Road, Government House Area, Alagbaka, Akure, Ondo State. Tel: 08037117644 E-mail: pakingbade@yahoo.com	Mr. Akinyemi Ogundare, ACA ICAN House, Alfred Rewane Road, Government House Area, Alagbaka, Akure. Ondo State. Tel: 08035848976 E-mail: akinogundare4@gmail.com
8.	AMUWO & DISTRICT amuwodistrict@ican.org.ng	Barrister Tunde Kuti, FCA Department of Accountancy, Lagos State Polytechnic, Isolo Campus, Lagos State. Tel: 08033643856 E-mail: teekaypee13@gmail.com	Mr. Emmanuel Olawuyi, FCA C/o Head of Department Department of Accountancy, Lagos State Polytechnic, Isolo Campus, Lagos State. Tel: 08038442908 E-mail: emmanuelolawuyiandco @gmail.com; gensec.icanamuwo@gmail.com
9.	ASABA & DISTRICT asabadistrict@ican.org.ng	Ekeruche Onyemaechi, FCA Urban Water Board, Okpanam Road, Asaba, Delta State. Tel: 08103650164 E-mail: onyemaekeruche2@gmail.com	Mr. Akiri Ogheneriobororue, ACA Federal Medical Centre, Nnebisi Road, Asaba, Delta State. Tel: 08033889593 E-mail: akirioghene@gmail.com
10.	AUCHI & DISTRICT auchidistrict@ican.org.ng	Mr. Umoru Abdulazeez, ACA Bursary Department, Auchi Polytechnic, Auchi, Edo State. Tel: 08035768248 E-mail: azeezumoru@gmail.com auchianddistrictsociety.ican@gmail.com	Mr. Abu Oseni, ACA Bursary Department, Auchi Polytechnic, Auchi, Edo State. Tel: 08062970102 E-mail: abuoseni@hotmail.com
11.	AWKA & DISTRICT awkadistrict@ican.org.ng	Mr. Ethelbert Echedo, ACA C/o Obi Okechukwu & Co., No. 73, Ziks Avenue, Awka, Anambra State. Tel: 08034054002 E-mail: echedoethelbert@yahoo.com	Mr. Kingsley Dim, ACA C/o Obi Okechukwu & Co., No. 73, Ziks Avenue, Awka, Anambra State. Tel: 08032247337 E-mail: kingsleydim@yahoo.com
12.	BAUCHI & DISTRICT bauchidistrict@ican.org.ng	Mr. Saidu Abubakar, ACA Olatunji Ajani & Co., 3rd Floor, Bank of Industry, NIDB House, Bauchi. Tel: 08036473468 E-mail: abubakar_saidu@yahoo.co.uk	Abdulkadir Tijani, ACA Olatunji Ajani & Co., 3rd Floor, Bank of Industry, NIDB House, Bauchi. Tel: 08076354545; 08027375720 E-mail: tijanikadir2@yahoo.com
13.	BENIN & DISTRICT benindistrict@ican.org.ng	Dr. Omimi-Ejor Osaretin Kingsley Atu, FCA ICAN Benin and District Society, Unity Bank Building, No. 87, New Lagos Road, Benin City, Edo State. Tel: 08032931266; 08077840740 E-mail: kingsatu@yahoo.com	Mr. Ugenlo Goddey, ACA ICAN Benin and District Society, Unity Bank Building, No. 87, New Lagos Road, Benin City, Edo State. Tel: 08033581570 E-mail: ailenskonsul@yahoo.com

S/N	NAMES	CHAIRMEN	SECRETARIES
14.	CALABAR & DISTRICT calabardistrict@ican.org.ng	Mr. Kelly Ayamba, ACA 105, Old Ilang Road, Calabar, Cross River State. Tel: 08091112250; 08037050135 E-mail: kka@ayambaharcourt.com	Mr. Nicholas Obun Dan, ACA 105, Old Ilang Road, Calabar, Cross River State. Tel: 08037231230, 08053254212 E-mail: nickdan778@yahoo.com
15.	CAMEROUN & DISTRICT cameroundistrict@ican.org.ng	Mr. Henry J.B. Akale, FCA B.P. 2113, Douala-Cameroon. Tel: +237 677629915 / 694646517 E-mail: henry.akale@yahoo.com	Mr. Vutumu Aloysius, FCA B.P. 4036, Douala-Cameroon. Tel: +237 675871546 / 699603162 E-mail: vutumu@yahoo.co.uk; avutumu@sabccm.com
16.	CANADA & DISTRICT SOCIETY	Mr. Kola Oladimeji, FCA Suite 688, 3545-32 Avenue NE Calgary, Alberta Canada T1Y 6M6 Tel: +17802154512 E-mail: chairman@icancanada.org	Mr. Toba Dada, ACA 84 Everridge Way SW Calgary, Alberta Canada T2Y 4S7 Tel: +1-587-889-4245 E-mail: generalsecretary@icancanada.org
17.	ENUGU & DISTRICT enugudistrict@ican.org.ng	Mrs. Josphine Uchenna Ovaga, FCA Office of the Bursar, College of Education (Technical), Enugu, Enugu State. Tel: 08034228388; 08059797474 E-mail: ucheovaga@yahoo.com; chairman.enugudistrictican@yahoo.com	Mrs. Otiji Ifeoma Catherine, ACA ICAN Liaison Office, Ministry of Agriculture Building, Onitsha Road, (Beside FRCN Zonal Office) Enugu, Enugu State. Tel: 08039284914 E-mail: otijiify@yahoo.com; secretary.enugudistrictican@yahoo.com
18.	GOMBE & DISTRICT gombedistrict@ican.org.ng	Mallam Sarjius Kadiri, FCA Office of the Accountant-General of the Federation, Garki, Abuja. Tel: 07034661584 E-mail: ksarjius@yahoo.com	Mallam Abdullahi Muhammad Jikan-Jatum, ACA Office of the Accountant-General of the Federation, Garki, Abuja. Tel: 08036658369 E-mail: jikanjatum09@yahoo.com
19.	IBADAN & DISTRICT ibadandistrict@ican.org.ng	Alhaji Ogunesan Ademola, FCA C/o District Office Providence Court (3rd Floor) Ajibade Bus Stop, Ibadan, Oyo State. Tel: 08023276407 E-mail: a.ogunesan@yahoo.com	Mrs. Babatunde Olaitan, FCA C/o District Office Providence Court (3rd Floor) Ajibade Bus Stop, Ibadan, Oyo State. Tel: 08054038014 E-mail: olaitanbabatunde@yahoo.com
20.	IJEBU-ODE & DISTRICT ijebuodedistrict@ican.org.ng	Mr. Ojo Toluwase Olumide, FCA 46, Ibadan Road, Beside Diamond Bank Plc, Ijebu-Ode, Ogun State. Tel: 08036544047 E-mail: tolumine3000@yahoo.com	Mrs. Morenike Taiwo, ACA 46, Ibadan Road, Beside Diamond Bank Plc, Ijebu-Ode, Ogun State. Tel.: 08055211649 E-mail: reniks15@gmail.com
21.	IKEJA & DISTRICT ikejadistrict@ican.org.ng ican.ikejadistrictsociety@gmail.com	Mr. Oni Olalere, FCA C/o ICAN District Office 4, Araromi Street, Off Oduyemi Street, Anifowoshe Street, Ikeja, Lagos State. Tel: 08023291513; 08161718417 E-mail: geconsults@yahoo.com	Mrs. Rita Akpan, FCA C/o ICAN District Office 4, Araromi Street, Off Oduyemi Street, Anifowoshe Street, Ikeja, Lagos State. Tel: 08053098152; 07030079497 E-mail: anieno2006@yahoo.com

S/N	NAMES	CHAIRMEN	SECRETARIES
22.	IKORODU & DISTRICT ikorodudistrict@ican.org.ng	Mr. Oluniyi Odewale, ACA 1, CAC Road (2nd Floor), Off Total Petrol Station, Benson Bus-Stop, Lagos Road, Ikorodu, Lagos State. Tel: 08038005558 E-mail: niyiode@yahoo.com	Mr. Biodun Akinwobi, ACA 1, CAC Road (2nd Floor), Off Total Petrol Station, Benson Bus-Stop, Lagos Road, Ikorodu, Lagos State. Tel: 08170406666 E-mail: biodun_akinwobi@yahoo.com
23.	ILARO & DISTRICT SOCIETY ilarodistrict@ican.org.ng	Prince Owolabi Ajayi, FCA Bursary Department Federal Polytechnic, Ilaro, Ogun State. Tel: 08069033634 E-mail: labiajayi@yahoo.com	Mr. Akinola Moruf Abiodun, FCA Bursary Department Federal Polytechnic, Ilaro, Ogun State. Tel: 08033263140 E-mail: biodunakinola@yahoo.com
24.	ILORIN & DISTRICT ilorindistrict@ican.org.ng	Pastor Abel Aiyedogbon, FCA C/o Abel Aiyedogbon & Co., 30, Muritala Mohammed Way, Opposite Government Secondary School (GSS), Ilorin, Kwara State. Tel: 08034531043 E-mail: abel_dogbon@yahoo.com	Mr. David Olutade Adebajo, ACA C/o Abel Aiyedogbon & Co., 30, Muritala Mohammed Way, Opposite Government Secondary School (GSS), Ilorin, Kwara State. Tel: 08033509594 E-mail: tadebanjo2001@yahoo.com
25.	JALINGO & DISTRICT SOCIETY jalindistrict@ican.org.ng	Hajiya Zulaihat Aminu Bello, ACA Federal Pay Office Office of the Accountant-General of the Federation, State Secretariat Road, Jalingo, Taraba State. Tel: 08063384198 E-mail: zulaihataminubello@gmail.com	Mr. Olayinka Gabriel Motunrayo, FCA Rebo Usman & Co., (Chartered Accounting Firm) Hammaruwa Way, Investment House Complex, Jalingo, Taraba State. Tel: 08060660861 E-mail: gayinka2006@yahoo.com
26.	JOS & DISTRICT josdistrict@ican.org.ng www.icanjosdistrict.org	Mr. Kutus Martins Oloruntoba, FCA 40, Murtala Mohammed Way, (Opposite Murtala Mohammed House) Jos, Plateau State. Tel: 08033536669 E-mail: martinskutus2006@yahoo.co.uk	Mr. Soepding Benard Alkali, ACA 40, Murtala Mohammed Way, (Opposite Murtala Mohammed House) Jos, Plateau State. Tel: 08039245746 E-mail: talk2benco@yahoo.co.uk
27.	KADUNA & DISTRICT kadunadistrict@ican.org.ng	Mr. Dalhatu Abdulazeez, FCA 2nd Floor, Turaki Ali House 3, Kanta Road, Kaduna. Tel: 08024772321 E-mail: dalhatu@yahoo.co.uk	Mr. Amos James, FCA 2nd Floor, Turaki Ali House 3, Kanta Road, Kaduna. Tel: 08036404433 E-mail: amos.akeji@gmail.com
28.	KANO/JIGAWA & DISTRICT kanojigawadistrict@ican.org.ng	Garba Muhammad Dutse, ACA ICAN Liaison Office, Murtala Mohammed Library, Ahmadu Bello Way, Kano State. Tel: 08036191700 E-mail: gdutse@yahoo.com	Mr. Abubakar Umar Farouk, ACA ICAN Liaison Office, Murtala Mohammed Library, Ahmadu Bello Way, Kano State. Tel: 08036832366 E-mail: aufadaneji@yahoo.com
29.	KATSINA & DISTRICT SOCIETY katsinadistrict@ican.org.ng	Dr. Emmanuel Kighir Apedzan, FCA Head of Department of Accounting, Federal University, Dutsinma, Katsina State. Tel: 08033119166 E-mail: akighir@fudutsinama.edu.ng apedzankighir2007@yahoo.com	Mr. Mustapha Adeyemi, ACA Katsina State Television, Katsina. Tel: 07030512575 E-mail: adeyemimustapha43@yahoo.com

<i>S/N</i>	<i>NAMES</i>	<i>CHAIRMEN</i>	<i>SECRETARIES</i>
30.	LAFIA & DISTRICT lafiadistrict@ican.org.ng	Mr. Yakubu Azizi, FCA Department of Accounting, Faculty of Administration, Nasarawa State University, Keffi, Nasarawa State. Tel: 08065766142 E-mail: aziziyakubu@gmail.com	Mr. Kudus Adekogbe, ACA Bursary Department, Federal University, Lafia P.M.B. 146, Lafia, Nasarawa State. Tel: 08164155715; 08051590586 E-mail: qudz22@yahoo.com
31.	LAGOS & DISTRICT lagosdistrict@ican.org.ng icanlagosanddistrict@yahoo.com	Mrs. Omolola Oke, FCA C/o ICAN District Office Anchoria House, 1st Floor, 97, Lewis Street, Off Okesuna Street, Obalende, Lagos. Tel: 08023030391 E-mail: omololaoke@yahoo.com	Mr. Olumide Adedeji, FCA C/o ICAN District Office Anchoria House, 1st Floor, 97, Lewis Street, Off Okesuna Street, Obalende, Lagos. Tel: 08087301454 E-mail: dr.adedejiolumide@gmail.com
32.	LAGOS MAINLAND & DISTRICT lagosmainlanddistrict@ican.org.ng	Rev. Olatunde Ayadi, FCA ICAN District Society Office 259, Borno Way (3rd Floor), Adekunle, Ebute Metta, Lagos. Tel: 08023216499 E-mail: icanlmds@yahoo.co.uk jehonissi2002@yahoo.com	Mr. Sylvester Ofor, FCA ICAN District Society Office 259, Borno Way (3rd Floor), Adekunle, Ebute Metta, Lagos. Tel: 08033296209 E-mail: icanlmds@yahoo.co.uk csofor@yahoo.com
33.	LOKOJA & DISTRICT lokojadistrict@ican.org.ng	Mr. Evinemi Elijah ACA Suite 47, Destiny Plaza, Beside First Bank, Ganaja Junction, Lokoja, Kogi State. Tel: 08066390225 E-mail: elstrong76@gmail.com	Adedeji Kazeem Suarau, ACA Bursary Department Federal University, Lokoja, Kogi State. Tel: 08027870760; 08053956630 E-mail: qazeemadedeji@gmail.com
34.	MAIDUGURI/DAMATURU & DISTRICT maiduguridamaturudistrict @ican.org.ng	Miss Ijeoma Anaso, FCA Department of Accounting, University of Maiduguri, Maiduguri, Borno State. Tel: 08034448761 E-mail: oianaso@yahoo.com	Mr. Kwazhi John W., ACA Department of Accounting, University of Maiduguri, Maiduguri, Borno State. Tel: 08039506870 E-mail: johnkwazhi69@gmail.com
35.	MAKURDI & DISTRICT makurdidistrict@ican.org.ng	Mr. Michael Achi, ACA J.S. Tarka Foundation Opposite IBB Square, Makurdi, Benue State. Tel: 08065789201 E-mail: michaelachi2013@gmail.com	Dr. Tyokoso Gabriel, ACA J.S. Tarka Foundation Opposite IBB Square, Makurdi, Benue State. Tel: 07063812097 E-mail: gtyokoso@gmail.com
36.	MALAYSIA & DISTRICT Malaysiadistrict@ican.org.ng	Dr. Oluwatoyin Muse Johnson Popoola, FCA Tunku Puteri Intan Safinaz of Accountancy (TISSA-UUM) College of Business University Utara Malaysia, 06010 Sintok, Darul Aman Kedah, Malaysia. Tel: +60164354874; +2348033284641 E-mail: chairman@ican-malaysia.org info@ican-malaysia.org	Mr. Aliu Olarewaju Atanda, ACA Tunku Puteri Intan Safinaz of Accountancy (TISSA-UUM) College of Business University Utara Malaysia, 06010 Sintok, Darul Aman Kedah, Malaysia. Tel: +60166330250; +2349066140290 E-mail: general.secretary@ican- malaysia.org info@ican-malaysia.org

<i>S/N</i>	<i>NAMES</i>	<i>CHAIRMEN</i>	<i>SECRETARIES</i>
37.	MINNA & DISTRICT minnadistrict@ican.org.ng	Mr. Mohammed Ndawuya, FCA Office of the State Auditor General, Abdulkarim Lafene Secretariat, Minna, Niger State. Tel: 08034507438 E-mail: danbukondawuya@gmail.com	Mr. Mohammed A.A. Soja, ACA Office of the Accountant-General Ministry of Finance, Minna, Niger State. Tel: 08036875196 E-mail: mohammedsoja@yahoo.co.uk
38.	MOWE & DISTRICT SOCIETY mowedistrict@ican.org.ng	Pastor John Dada, FCA 166, Mowe Ofada Road, Opposite DG Restaurant, By AbuleEgun Road Junction, Mowe, Ogun State. Tel: 08033844399 E-mail: olusolajohndada@gmail.com	Mr. Omoniyi Osunsanya, FCA 166, Mowe Ofada Road, Opposite DG Restaurant, By AbuleEgun Road Junction, Mowe, Ogun State. Tel: 08033061000 E-mail: omoseyus@yahoo.com
39.	NSUKKA & DISTRICT SOCIETY nsukkadistrict@ican.org.ng	Mr. Stephen Ebialim Ndili, ACA C/o Stephen Ebialim Ndili Bursary Department, University of Nigeria, Nsukka, Enugu State. Tel: 08034077466 E-mail: stephen.ndili@unn.edu.ng	Mr. Elvis Emeka, ACA C/o Elvis Emeka Bursary Department, University of Nigeria, Nsukka, Enugu State. Tel: 08036728010 E-mail: elvis.ozoadibe@unn.edu.ng
40.	OGBOMOSHO/OYO & DISTRICT ogbomoshodistrict@ican.org.ng	Mr. Ismaheel Abdullahi Adigun, FCA C/o Alhaji M.O. Ogundiran Bursary Department, Federal College of Education (Special), Oyo, Oyo State. Tel: 08036075275 E-mail: aaismaheel@lautech.edu.ng	Mr. Fasina Hassan Taiwo, ACA C/o Alhaji M.O. Ogundiran Bursary Department, Federal College of Education (Special), Oyo, Oyo State. Tel: 08034701156 E-mail: taiwofash4real@gmail.com
41.	OJO, BADAGRY, AGBARA & DISTRICT (O.B.A) icanobadistrict@yahoo.com	Mrs. Awoliyi Olapeju, FCA ICAN OBA & District C/o Business Education Department, School of Vocational and Technical Education, Adeniran Ogunsanya College of Education, Otto/Ijanikin, Lagos State. Tel: 08033267180 E-mail: momaraw@yahoo.com	Mr. Bello Ismail, FCA ICAN OBA & District C/o Business Education Department, School of Vocational and Technical Education, Adeniran Ogunsanya College of Education, Otto/Ijanikin, Lagos State. Tel: 07082719287 E-mail: ismailbello_070263@yahoo.com
42.	ONITSHA & DISTRICT onitshadistrict@ican.org.ng	Mrs. Victoria Nduka, FCA Onitsha Business School, No. 19, Lady Regina Nwankwu Avenue, GRA, Onitsha, Anambra State. Tel: 08033489398 E-mail: vickynduka95@yahoo.com	Mr. Okeke Emmanuel Uchenna, ACA Onitsha Business School, No. 19, Lady Regina Nwankwu Avenue, GRA, Onitsha, Anambra State. Tel: 08063337008 E-mail: manolink84@yahoo.com
43.	OSUN & DISTRICT osundistrict@ican.org.ng	Mr. Idowu Emmanuel Adegoke, FCA Floor 1, Room 107, Bursary Department, Secretariat Building, Obafemi Awolowo University, Ile-Ife, Osun State. Tel: 07035084047 E-mail: adeidowu@yahoo.com	Mr. Alake Babasola, ACA Bursary Department, Osun State College of Education, Ilesa, Osun State. Tel: 08035397224 E-mail: babasola69@gmail.com

<i>S/N</i>	<i>NAMES</i>	<i>CHAIRMEN</i>	<i>SECRETARIES</i>
44.	OTA & DISTRICT SOCIETY otadistrict@ican.org.ng	Pastor Abayomi Oke, FCA Km. 4, MAN House, Idiroko Road, Beside Oba Titti Dada Market, Ota, Ogun State. Tel: 08035172846 E-mail: oktaassociates@ymail.com	Mr. Tokunbo Fadiji, ACA Km. 4, MAN House, Idiroko Road, Beside Oba Titti Dada Market, Ota, Ogun State. Tel: 08050455180 E-mail: oloruntobiloba@gmail.com
45.	OWERRI & DISTRICT owerridistrict@ican.org.ng	Mr. Emenalo Chinedu, ACA C/o Spiropoulos, Adiele, Okpara & Co., 5/6, Samek Road, All Bond House, IMSU Road, Owerri, Imo State. Tel: 08033171515; 08187176922 E-mail: neduemenalo@yahoo.com	Mr. Adizua Francis Nwanegbo, ACA C/o Spiropoulos, Adiele, Okpara & Co., 5/6, Samek Road, All Bond House, IMSU Road, Owerri, Imo State. Tel: 08037284186 E-mail: adizuafrancis@yahoo.com
46.	PORT HARCOURT & DISTRICT portharcourt@ican.org.ng	Dr. Felicia Ayuwo, FCA 1st Floor, Leventis Building 6, Nnamdi Azikiwe Road, Port Harcourt, Rivers State. Tel: 08036712619 E-mail: felicia.yuwo@uniport.edu.ng	Mrs. Helen Irobuisi, ACA 1st Floor, Leventis Building 6, Nnamdi Azikiwe Road, Port Harcourt, Rivers State. Tel: 08033095930 E-mail: irichikah@yahoo.com
47.	SOKOTO & DISTRICT sokotodistrict@ican.org.ng	Alh. Suleiman D. Umar, FCA Department of Accounting Faculty of Management Science, Usman Danfodio University, Sokoto. Tel: 08035887834; 08057191802 E-mail: sduumar@yahoo.co.uk	Mr. Ibrahim Alkali, ACA Bursary Department Usman Danfodio University, P.M.B. 2346, Sokoto. Tel: 08066283461; 08051323213 E-mail: alkaliibrahim@yahoo.co.uk maajadi@yahoo.com
48.	UMUAHIA & DISTRICT umuahiadistrict@ican.org.ng	Mrs. Amakwe Rose-Mary, ACA Federal Medical Centre Umuahia, Abia State. Tel: 08034055377; 08056220662 E-mail: rosemaryamakwe@yahoo.com	Mrs. Felicia Egbeh, ACA Bursary Department, Michael Okpara University of Agriculture, Umuahia, Abia State. Tel: 08038793014; 08054002147 E-mail: danukupai70@gmail.com
49.	UNITED KINGDOM & DISTRICT unitedkingdomdistrict @ican.org.ng	Mr. Doyin Adebayo, ACA C/o Coker Isah & Co., ICAN UK District Society, 74 Church Road, London SE19 2EZ Tel: +44 (0)7828801700 E-mail: chairman@ican-uk.org, doyeenok@yahoo.com	Mr. Emmanuel Adebola Samuel, FCA C/o Coker Isah & Co., ICAN UK District Society, 74 Church Road, London SE19 2EZ Tel: +44 (0)7961502107 E-mail: generalsecretary@ican-uk.org onebolasamuel@yahoo.co.uk
50.	USA & DISTRICT usadistrict@ican.org.ng	Mr. Tim Oyediran, FCA 4225 Telegraph Avenue, Oakland CA 94609 Tel: +201-446-4845 E-mail: chairman@ican-usa.net	Mr. Anthony Adeyemo, ACA 4225 Telegraph Avenue, Oakland CA 94609 Tel: +214-621-0965 E-mail: generalsecretary@ican-usa.net
51.	UYO & DISTRICT uyodistrict@ican.org.ng	Mr. Eteyen Sunday Ikpong, FCA 12 Aka Road, Uyo, Akwa Ibom State. Tel: 08028528153 E-mail: eteyenikpong@yahoo.com	Mr. Imo Gideon Uko, ACA 12 Aka Road, Uyo, Akwa Ibom State. Tel: 08023592666 E-mail: imofirst@yahoo.com

<i>S/N</i>	<i>NAMES</i>	<i>CHAIRMEN</i>	<i>SECRETARIES</i>
52.	WARRI & DISTRICT warridistrict@ican.org.ng	Mr. Anthony Foster Odhi, ACA District Secretariat Block 2 (Upper Floor), Edewor Shopping Centre Complex, Efurun/Sapele Road, Efurun, Delta State. Tel: 08058523972; 08064443196 E-mail: fostertodi@gmail.com, fostertodi@yahoo.com	Mr. Denedo Ovuakporaye Elohor, ACA District Secretariat Block 2 (Upper Floor), Edewor Shopping Centre Complex, Efurun/Sapele Road, Efurun, Delta State. Tel: 08035070807; 07084685560 E-mail: elohordenedo@gmail.com, denedoelohor@gmail.com
53.	YENAGOA & DISTRICT yenagoadistrict@ican.org.ng	Mrs. Philomena Tabowei, ACA BYSG/ICAN Study Centre, Amarata, Opposite Diamond Bank, Yenagoa, Bayelsa State. Tel: 08033338598 E-mail: philomenatabowei@gmail.com	Mrs. Bariweni Binaebi, ACA BYSG/ICAN Study Centre, Amarata, Opposite Diamond Bank, Yenagoa, Bayelsa State. Tel: 08064532364 E-mail: bbinaebi2@gmail.com
54.	YOLA & DISTRICT yolajalingodistrict@ican.org.ng	Mr. Yakubu Agabus Seubittere, FCA C/o Yakubu, Yakubu & Co., (Chartered Accountants) 1st Floor, Lamido Zubairu Education Centre, Golden Jubilee House, Yola Bye-Pass, Yola Town, Adamawa State. Tel: 08033108593; 08075947942 E-mail: seubittere@yahoo.com	Mrs. Adenike Adijat Balogun, FCA C/o Yakubu, Yakubu & Co., (Chartered Accountants) 1st Floor, Lamido Zubairu Education Centre, Golden Jubilee House, Yola Bye-Pass, Yola Town, Adamawa State. Tel: 08058128417; 08025610028 E-mail: adenike@aun.edu.ng
55.	ZARIA & DISTRICT zariadistrict@ican.org.ng	Zaid Abubakar, ACA Zaria Business School No. 10b, Theresa Bowyer Road, GRA, Zaria, Kaduna State. Tel: 08068885569 E-mail: zambellonet@yahoo.com	Mr. Busari Kassim, ACA Zaria Business School No. 10b, Theresa Bowyer Road, GRA, Zaria, Kaduna State. Tel: 08038377538 E-mail: kassimbusari@gmail.com

CHAPTERS

S/N	NAMES	CHAIRMEN	SECRETARIES
1.	CBN CHAPTER cbndistrict@ican.org.ng	Mr. Agillo Friday, FCA Financial Risk Division Risk Management Department 7th Floor, Wing A, Central Bank of Nigeria, CBN Abuja. Tel: 08055116977 E-mail: foagillo@cbn.gov.ng	Mrs. Ifeoma Geraldine Okwor, FCA Internal Audit Department 8th Floor, Wing A, Central Bank of Nigeria, CBN Abuja. Tel: 08023083266 E-mail: igokwor@cbn.gov.ng
2.	PHCN CHAPTER phcndistrict@ican.org.ng	Mr. Austin Ekpele Ojini, FCA PHCN Liaison Unit, Plot 441, Zambezi Crescent, Maitama District, P.M.B. 338, Garki, Abuja. E-mail: austinojini@yahoo.co.uk Tel: 08033402391	Mr. Felix Osordi Okolie, FCA PHCN Transmission Ajaokuta, Kogi State. E-mail: osobro4@yahoo.com Tel: 08036661279
3.	LAGOS STATE PUBLIC SERVICE CHAPTER	Mr. Badmos Shuaib Babalola, FCA Block 11, State Treasury Office, Lagos State Secretariat. Tel: 08024304435 E-mail: chiefshuaib@yahoo.com	Mr. Lamidi Olabode, ACA Block 11, State Treasury Office, Lagos State Secretariat. Tel: 08034018381 E-mail: olabodelamidi@yahoo.com
4.	FIDELITY BANK PLC CHAPTER	Mr. Victor Abejegah, FCA Risk Management Department Block B, 2nd Floor, Fidelity Bank Plc, 2 Kofo Abayomi Street, Victoria Island, Lagos. Tel: 08023044758 E-mail: victor.abejegah@fidelitybank.ng	Mr. Akinwobi Biodun Bashir, FCA Risk Management Department, Fidelity Bank Plc, Block B, 2nd Floor, 2 Kofo Abayomi Street, Victoria Island, Lagos. Tel: 08023185644; 08170406666 E-mail: biodun_akinwobi@yahoo.com
5.	SOCIETY OF WOMEN ACCOUNTANTS OF NIGERIA (SWAN) CHAPTER	Mrs. Folake, Onabolu, FCA 82, Muritala Muhammed Way, Ebute Metta, Yaba, Lagos. Tel: 08023355222 E-mail: rotfol02@yahoo.com	Mrs. Ijeoma Sam Oburu, FCA 82, Muritala Muhammed Way, Ebute Metta, Yaba, Lagos. Tel: 08023268927 E-mail: omaije@yahoo.com
6.	OFFICE OF THE AUDITOR-GENERAL FOR THE FEDERATION (OAuGF) CHAPTER	Mr. Owolo Adewale, FCA Office of the Auditor-General for the Federation, Audit House, Plot 273, Samuel Ademulegun Street, Central Business District P.M.B. 128, Garki, FCT, Abuja. Tel: 08036014985 E-mail: owoloadewale@yahoo.com	Mr. Apoti Salawu Abdulrahim, FCA Office of the Auditor-General for the Federation, Audit House, Plot 273, Samuel Ademulegun Street, Central Business District P.M.B. 128, Garki, FCT, Abuja. Tel: 08035995910 E-mail: apoti2003@yahoo.co.uk
7.	OFFICE OF THE ACCOUNTANT GENERAL OF THE FEDERATION (OAGF) CHAPTER	Mr. Salawu Adeku Zubairu, mni, FCA Office of the Accountant-General of the Federation, Treasury House, P.M.B. 7015, Garki 2, FCT, Abuja. Tel: 08036286052 E-mail: zubairusalawu@yahoo.co.uk	Mr. Demas Amase Gbadema, ACA Office of the Accountant-General of the Federation, Treasury House, P.M.B. 7015, Garki 2, FCT, Abuja. Tel: 08069532779 E-mail: amasedemas@gmail.com



THE INSTITUTE OF CHARTERED ACCOUNTANTS OF NIGERIA

(Established by Act of Parliament No 15 of 1965)

CONDITIONS FOR RENEWAL OF EXPIRED/EXPIRING PRACTICE LICENCE

Members wishing to renew their expired/expiring licence should apply to the Institute, stating compliance with the following terms and conditions of the licence renewal process:

1. The member should be financially up to date.
2. Evidence of Payment of licence renewal fee of **N15, 000**.
3. Membership of a District Society – Should indicate the District. The Institute will confirm.
4. Must have a minimum of 90 MCPE Credit Hours for the last three (3) consecutive years.
5. State whether the firm where the applicant is practising is registered with ICAN or not?
Please indicate CAC REG. NO. of the firm and the Membership No. of the Principal Partner.
6. If a sole practitioner, is there a program/policy in place to ensure continuity or not? Applicants to state their position in their application letter.
7. If it is a Partnership, applicants to state whether or not there is a partnership agreement.
8. Applicants to state whether or not the firm has Professional indemnity.
9. State whether or not the firm has minimum infrastructural requirement namely; a minimum of two rooms, personal computer, printer, library and facility for secretary.
10. State whether or not the applicant is a partner in more than one firm.
11. Where applicable, state whether or not all the deficiencies identified during the last practice review had been satisfactorily disposed of. Where applicable, applicants to show evidence of how the deficiencies noted have been rectified.
12. The member must have satisfied any other condition(s) that might be stipulated by the Institute from time to time.

The application letter including a copy of the expired/expiring practice licence, should be submitted to:

The Registrar/Chief Executive
Attention: HOD, Professional Practice
The Institute of Chartered Accountants of Nigeria
82 Murtala Mohammed Way,
Ebute Metta, Lagos.
practicellicence@ican.org.ng

For further enquiries, please call 0905 384 7524 or send a mail to: practicellicence@ican.org.ng

John I. Evbodaghe, MBA, FCA
Registrar/ Chief Executive

Plot 16 Idowu Taylor Street, Victoria Island Lagos
Tel: +2349053847510-1
www.icanig.org

THE INSTITUTE OF CHARTERED ACCOUNTANTS OF NIGERIA
**IN THE ACCOUNTANTS' DISCIPLINARY TRIBUNAL
HOLDEN AT VICTORIA ISLAND, LAGOS**

CHARGE NO: ICAN/LEG/D.T/9591/2016

BETWEEN:

ICAN COMPLAINANT/RESPONDENT

AND

JOSEPH EHI OYAMWENDA RESPONDENT/APPLICANT

RULING

The Respondent has been charged before this Honourable Tribunal on a one Count charge of infamous conduct in a professional respect. According to the Charge, the Respondent sometime in year 2014 acted without integrity when he unduly used the influence of the Institute to apply for an Italian visa in favour of one **Mr. James Osagie Akhabure**, a non-member of the Institute under the false pretense that he would be accompanying the Respondent to the 2014 World Congress of Accountants held in Rome. Mr. James Osagie Akhabure however violated the terms of his visa by refusing to return to Nigeria at the expiration thereof, thereby aiding and abetting an immigration offender to the prejudice of the Institute's reputation.

The Respondent had been arraigned and trial had begun in the matter on February 21, 2017 with the Prosecution calling two witnesses, Mr. Mukaila Lawal and Mr. Atiba Adeyemo. The matter was adjourned for the Respondent to open his defence. However, Respondent's Counsel filed a Notice of Preliminary Objection, a ten paragraphs Affidavit in Support and Written Address all dated June 14, 2018 challenging this Tribunal's jurisdiction allegedly because its composition is in violation of the 1999 Constitution of Nigeria and that the Charge is null and void.

The Prosecution filed its six paragraphs Counter Affidavit and Written Address in support dated December 11 and 12, 2018 while the Respondent's Reply on Points of Law is dated February 8, 2019.

Parties adopted their processes at the February 11, 2019 Tribunal sitting. The grounds for the Respondent's objection are as follows:

1. The composition of the Tribunal is against the provision of section 36(1) of the 1999 Constitution of the Federal Republic of Nigeria.

2. The composition of the Tribunal, the Charge and the entire proceedings so far in respect of this Charge is against the principle of fair hearing and natural justice.
3. The condition precedent to the institution of the Charge against the Respondent was not observed.
4. The Charge is defective. Incurably bad, incompetent and a nullity in law.
5. The Charge does not contain the name and the seal of the Prosecutor as mandatorily required by the provision of statutes.
6. The Charge was not signed by a Legal Practitioner.

The Respondent/Applicant raised three issues for determination viz:

1. Whether or not the composition of the Tribunal in respect of this Charge is against the provision of section 36(1) of the Constitution of the Federal Republic of Nigeria.
2. Whether or not the condition precedent to filing or instituting this Charge against the Respondent/Applicant has been met.
3. Whether or not there is a proper and valid Charge before this Tribunal to activate the Tribunal's jurisdiction to hear this Charge.

On the first issue, learned Counsel submitted that the composition of this Tribunal and Charge is clearly against the principle of fair hearing and natural justice as enshrined in section 36(1) of the 1999 Constitution of the Federal Republic of Nigeria (as amended), which states that **in the determination of his civil right and obligations, including any questions or determination by or against any government or authority, a person shall be entitled to a fair hearing within a reasonable time by a court or other tribunal established by law and constituted in such manner as to secure its independence**

and impartiality.

Counsel cited several decided cases to buttress his point on the twin fair hearing principles of audi alterem partem and nemo iudex in causa sua. Such cases include **EIGBE Vs N.U.T (2008) 5 NWLR (PT. 1081) 604 AT PG 629 PARAS G-H (per Alagoa, JCA.); IKOMI Vs THE STATE (1986) 3 NWLR 340 (per Nnamani, JSC); ANSA & ORS Vs THE OWNER/MANAGING DIRECTOR RVL MOTORS (2008) LPELR-8570 (per Ngwuta, JCA); AWUSE Vs ODILI (per Salami, JCA); ATANO Vs A.G BENDEL STATE (1988) 2 NWLR (PART 75) 132.**

Counsel stated that the Witnesses had agreed that Tribunal members are also Council members and the Council is the Complainant in the matter. Also, the Investigating Panel was constituted by the Council and even though there was no written complaint from Council, the Panel simply acted on the Council's directive to investigate the Respondent and recommend him for trial.

In the opinion of Counsel, the Tribunal being a statutory creation is equivalent to a High Court but is still subject to the Constitution. The Tribunal therefore lacks jurisdiction since the members are also Council members making the Tribunal both the Judge and Complainant in the case. The Tribunal therefore does not have jurisdiction to hear the Charge or continue further proceedings with respect to the Charge.

On issue two, Counsel stated that the condition precedent to the filing of the Charge has not been met and even the condition precedent to the composition of the Investigating Panel was not met. He referred Rule 2.2 of the Institute's Investigating Panel Procedural Rules and Guidelines which states that complaints to the Institute should come by way of sworn affidavit by the Complainant accompanied by all supporting documents. According to him, the reason for the affidavit is to discourage frivolous petitions. The Prosecutor has tendered all his documents and there was never an affidavit and there was no complaint whatsoever. All the Respondent got was an e-mail and nothing else was given to him to appear before the Investigating Panel and he appeared.

Counsel cited several authorities to the effect that once the condition precedent to the institution of a Charge has not been observed that Charge is liable to be struck out and if it has been argued, the entire proceedings must be dismissed. The cases include **KORUM LIMITED VS INTERNATIONAL TRUST BANK PLC (2010) LPELR 4408 per Abba Aji, JCA; MADUKOLU Vs NKEMDILIM (1962) ALL NLR 587; UMANAH VS ATTAH (2006) 17 NWLR (PT. 1009) 503; LUFTHANSA AIRLINES Vs ODIESE (2006) 7 NWLR (PT. 978) 39.**

Counsel urged the Tribunal to hold that the Investigating Panel lacked the power to investigate and recommend the Respondent for trial without receiving any written complaint or affidavit and to also hold that as the fundamental procedure to commencement of trial was not observed in the Charge, this Tribunal lacks the jurisdiction to hear the Charge and/or continue with the trial.

On issue three, Respondent's Counsel submitted that there is no valid Charge before the Tribunal to warrant the Tribunal to continue to hear the Charge as it is defective, incurably bad and void having not been signed by a Legal Practitioner but by an unnamed person purportedly on behalf of an unnamed Prosecutor. He cited the cases of **IZI Vs THE STATE (2016) LPELR**

42064; AHIMERE Vs STATE (2016) LPELR 42046; ADEOSUN & ORS Vs LANIYONU (2017) LPELR 42427; ELABANJO Vs DAWODU (2006) 15 NWLR (PT. 1001) PG. 75 @ 147; DR. TUNJI BRAITWAITE Vs SKYE BANK PLC (2012) LPELR 15532 (PER GALADIMA, J.S.C) and DADA Vs DOSUNMU (2006) 18 NWLR (PT. 1010) PER TOBI, J.S.C to the effect that any legal process not signed by a Legal Practitioner whose name is on the Roll is a nullity and of no effect and deprives the Court of jurisdiction.

Respondent's Counsel concluded by urging this Tribunal to dismiss the Charge and nullify the entire proceedings for lack of jurisdiction.

The Prosecution in its written address distilled three issues for the determination of the Tribunal viz:

1. Whether the composition of the Tribunal in respect of this Charge is vitiated by the principle of nemo iudex in causa sua having regard to the provision of section 11(1) of the Institute of Chartered Accountants of Nigeria Act Cap. I11, Laws of the Federation, 2004, which establishes the Tribunal and provides for who should be members of the Tribunal.
2. Whether the condition precedent for filing or instituting this Charge against the Respondent /Applicant has been met.
3. Whether there is a proper and valid Charge before this Tribunal to activate the Tribunal's jurisdiction to hear this Charge.

On the first issue, the Prosecutor submitted that the composition of this Tribunal is not against the provision of section 36(1) of the Constitution of the Federal Republic of Nigeria (as amended). According to her, the position of the Counsel to the Respondent/Applicant is misconceived and does not represent the true position of the law since the law only envisaged that a person against whom a wrong was committed should not be a member of the Committee/Tribunal or a Judge that would determine the case hence a person should not be a Judge in his own cause. She cited the case of **YESUFU AMUDA GARBA & ORS Vs THE UNIVERSITY OF MAIDUGURI (1986) LPELR SC.24/1986.**

According to the Prosecutor, the real Complainant in this matter is the World Congress of Accountants Committee (WCAC), which fact is also known to the Respondent/Applicant. The Council only set up an Investigating Committee, which members are different from the WCAC, upon receipt of a complaint from the WCAC.

The Prosecutor submitted that assuming that the Council is the Judge and Complainant as alleged by learned Counsel, the nemo iudex in causa sua rule (the rule) canvassed by Counsel is not applicable to this instant case since the ground relied upon by Counsel that Tribunal members are Council members falls under the exceptions to the said rule. In effect, where there is a law mandating a person to sit over a matter, irrespective of his partiality, the said rule shall be displaced. Prosecutor submitted that the Tribunal is a creation of section 11(1) of the Institute of Chartered Accountants Act, Cap. I11, Laws of the Federation of Nigeria, 2004 and section 11(2) of the said law which provides thus: "The Tribunal shall consist of the Chairman of the Council and six members of the Council appointed by the Council." It is therefore mandatory for Council members to be Tribunal

members thus displacing the rule. She cited the case of **EX PARTE OLAKUNRIN (1985) NWLR PT. 4 PAGE 652**.

Prosecutor further submitted that the principle of Necessity as exception to the strict application of the rule operates to cover the Council to act as both the Complainant and the Judge since one of the essence of the Professional Code of Conduct and Guide for Members of the Institute is to protect its integrity hence it is of necessity for the Institute to jealously guard the Code of Conduct and the professional ethics of the Institute against erring members.

According to the Prosecutor, it is a trite principle of law that a member of an association is bound by the rules and code of conduct of the association to which he voluntarily belongs. Therefore the Respondent/ Applicant having submitted himself to the rules upon induction cannot turn around to challenge the code he pledged allegiance to. He is not just being prosecuted by the Council of the Institute but by all ICAN members. She therefore urged this Tribunal to hold that its composition is not against the fair hearing provision of the Nigerian Constitution.

On the second issue, the Prosecutor submitted that the condition precedent prior to instituting the Charge against the Respondent/Applicant has been met. Therefore, the Tribunal has the requisite jurisdiction. The Prosecutor stated that though the requirement for a complaint to be accompanied by a sworn affidavit is provided for in paragraph 2.2 of the Disciplinary Procedure of the Institute and Investigating Panel Procedural Rules and Guidelines, paragraph 1 also provides that where a complaint is received by the Institute alleging a case of professional misconduct against a member of the Institute, such complaint shall be referred to the Investigating Panel for necessary action. Therefore either of the two methods mentioned can be used in making a complaint to the Institute as there is no hard and fast rule to that effect.

The Prosecutor referred to the Institute's internal memo dated February 13, 2015 titled: "Allegation on Accompanying Persons by Head of Italian Visa" and a Decision Extract from Council meeting of August 21, 2014, which amongst others stated thus: "Council approved as recommended by the Committee. Council directed that the member who attempted to procure visas for two non ICAN members at the Italian Embassy should be reported to the Institute's Investigating Panel..." to prove that there was a formal complaint against the Respondent/Applicant. She also referred to the Minutes of the Investigating Panel meeting of 28th April, 2015.

On the third issue, the Prosecutor stated that contrary to the allegation by Counsel to Respondent that the Charge was not signed by a Legal Practitioner or anybody for that matter, the Charge is proper and valid. According to her, the case of **IZI Vs THE STATE** (supra) already cited by the Respondent/Applicant's Counsel is not applicable to this case as the issue in the reported case was that of an unsigned Court process, i.e., the effect of signing a Court process without the name of the Counsel. She submitted that the Charge before this Tribunal is not a Court process. She referred to Black's Law Dictionary (9th Edition) which defines a Judicial (or Court) process as "summons or writ, especially to appear or respond in Court." She reiterated the heading of the Charge, which shows that it is not a Court process with respect to the said definition. The heading states thus:

**IN THE INSTITUTE OF CHARTERED ACCOUNTANTS OF NIGERIA
IN THE ACCOUNTANTS' DISCIPLINARY TRIBUNAL
HOLDEN AT VICTORIA ISLAND, LAGOS**

The Prosecutor tried to differentiate between a Court and a Tribunal by referring to section 6(5) (a)-(i) of the 1999 Constitution of the Federal Republic of Nigeria (as amended). Therefore the Charge sheet dated 24th November, 2016 is not a Court process and the Tribunal, though having the same jurisdiction as a High Court is quasi criminal in nature.

On the issue of failure to affix seal, Prosecutor submitted that even if the Prosecutor is a legal practitioner and has not affixed his seal, it can only be voidable, not void. It is not a nullity as failure to affix a seal has been held not to be a fundamental error that will nullify the proceedings. She referred to the case of **EMECHEBE Vs CETO INTERNATIONAL NIGERIA LIMITED (2018) 11 NWLR (PT. 1631) 520 @ 534**.

In conclusion, the Prosecutor urged this Tribunal to dismiss the Respondent/Applicant's Preliminary Objection as being baseless and a waste of precious judicial time.

In his Reply on Points of Law, Counsel to the Respondent/Applicant described as erroneous, fallacious and despicable, the argument by the Prosecutor that rather than the Council of the Institute, it is the WCAC that made the complaint against the Respondent/Applicant. He further stated that assuming without conceding that WCAC was the Complainant, why is it not before the Tribunal to give evidence since the PW1 gave evidence as a member of staff of the Institute while PW2 gave evidence as a member of the Investigating Panel.

On the argument that the Tribunal's composition falls under the exception to the *nemo iudex in causa sua* rule, learned Counsel submitted that the supremacy of the Constitution is sacrosanct as section 1(3) provides that if any other law is inconsistent with the provisions of this constitution, this Constitution shall prevail, and that other law shall to the extent of the inconsistency be void. He urged the Tribunal to dismiss the Prosecutor's argument.

On whether the condition precedent for instituting the Charge has been met, learned Counsel stated that Rule 2.2 of the Disciplinary Procedure of the Institute and Investigating Panel Procedural Rules and Regulations earlier quoted is clear and unambiguous. Furthermore, the directive of the Council which was extracted from minutes of Council meeting held on August 31, 2014 is not a complaint as the word "directed" simply means instruction to a person or a body to do something and cannot amount to a complaint. Council had directed the WCAC to lay a complaint against the Respondent/Applicant, which was not done. There was therefore no complaint before the Investigating Panel and the Tribunal should so hold.

On the issue of proper and valid Charge before the Tribunal, learned Counsel maintained that there is no difference between a regular Court and a Tribunal as both the Court of Appeal and Supreme Court have so held. The only difference according to him is that the Tribunal is established to handle specialized matters or cases. He referred to the case of **SARAKI Vs FRN (2016) 2 NWLR (PT. 1495) PG. 1 @ 33**, which restated his position. He submitted that being an Act of the National Assembly to which appeals lie directly to the Court of Appeal, the Tribunal is a

Court of record and therefore, a Court of law. The case of **IZI Vs THE STATE (supra)** is therefore binding on the Tribunal. He urged the Tribunal to dismiss the Charge.

This Tribunal having distilled the issues and arguments of the Respondent/Applicant and Prosecutor believes the issue to be determined as thus:

Are the composition of the Tribunal, mode of complaint and form of the Charge so defective as to oust the jurisdiction of this Tribunal to hear and determine this matter?

Generally, a Tribunal is a body with judicial or quasi judicial functions set up by statute and existing outside the usual judicial hierarchy.

The Accountants' Disciplinary Tribunal (the Tribunal) was created by Section 11(1) of the Institute of Chartered Accountants of Nigeria (ICAN) Act and it is charged with the duty of considering and determining any case referred to it by the Panel and any other case of which the Tribunal has cognisance of under the Act. Though the Tribunal under the 1999 Constitution of the Federal Republic of Nigeria (the Constitution) is of coordinate jurisdiction with the Federal and State High Courts, it however has no power to try criminal cases against ICAN members but issues bothering on professional misconduct and infamous conduct.

A person registered as a member of ICAN is expected to conduct himself in a manner acceptable to reasonable and responsible members of the profession. He would be sanctionable of misconduct if he does anything that tends to bring the profession to disrepute. In order to enforce professional discipline of members the ICAN Act established the Investigating Panel and the Accountants' Disciplinary Tribunal.

Section 11(2) of the ICAN Act states that the Tribunal shall consist of the Chairman of the Council and six other members of the Council appointed by the Council. This is a statutory provision, which must be adhered to. The Chairman of Council who also is the President of the Institute presides at the sitting of the Tribunal. The only time he is allowed to excuse himself from the Tribunal sitting is in a situation where he had earlier taken part as the Chairman or member of an Investigating Panel, which had investigated a particular member or Respondent and thereafter referred him to the Tribunal after establishing a prima facie case against such member. This is in order to ensure fair hearing. In the instant case, this Tribunal does not agree with the view of Counsel to the Respondent/Applicant that the Institute's governing Council is the accuser, prosecutor and judge.

The Tribunal agrees with the Prosecution's submission that by virtue of section 11(2) of the ICAN Act, it is mandatory for Council members to be Tribunal members thus displacing the nemo iudex in causa sua rule. The case of **EX PARTE OLAKUNRIN (supra)** is apt in this regard.

The Respondent/Applicant's Counsel had submitted that the fact that the complaint did not come by way of affidavit but upon a Report and Council Decision Extract means that there was no formal complaint against the Respondent. As rightly submitted by the Prosecution, members of an Ad Hoc Committee (the WCAC) had in their report to Council with respect to logistics and activities of ICAN members with respect to the World Congress of Accountants Conference held in Rome in 2015 made allegations against the Respondent/

Applicant and recommended his investigation amongst other recommendations. The Council approved the recommendations and directed the Investigating Panel to investigate the allegations. This is a special circumstance which obviated the requirement for affidavit. It is trite that in every rule there is an exception. Upon referral of the Respondent/Applicant to the Tribunal, ICAN took over as the Complainant ICAN being different from the Tribunal. It is therefore this Tribunal's view that the matter is properly before it.

With respect to the Charge, learned Counsel submitted that there is no valid Charge before the Tribunal to warrant the Tribunal to continue to hear the Charge as it is defective, incurably bad and void having not been signed by a Legal Practitioner but by an unnamed person purportedly on behalf of an unnamed Prosecutor. The Prosecutor in denying and countering the submission tried to differentiate between a Court and a Tribunal by referring to section 6(5) (a)-(i) of the 1999 Constitution of the Federal Republic of Nigeria (as amended). She submitted that the Charge sheet dated 24th November, 2016 is not a Court process and the Tribunal, though having the same jurisdiction as a High Court is quasi criminal in nature. The Tribunal disagrees with this submission.

It is a fact that the Tribunal's Prosecutors are Legal Practitioners. This Tribunal holds that failure to have the name of the Prosecutor on the Charge or having another lawyer sign on his behalf is a substantial error or omission that should void the Charge as it is no longer valid. This Tribunal holds that it is proper for charge sheets to be properly signed by a named Lawyer or Prosecutor

On failure to affix seal, Prosecutor submitted that even if the Prosecutor is a Legal Practitioner and has not affixed his seal, it can only be voidable, not void. It is not a nullity as failure to affix a seal has been held not to be a fundamental error that will nullify the proceedings. She referred to the case of **EMECHEBE Vs CETO INTERNATIONAL NIGERIA LIMITED (2018) 11 NWLR (PT. 1631) 520 @ 534**. The Tribunal agrees with this submission.

This Tribunal however holds that in view of the fact that the charge sheet was not signed by a named lawyer, the charge is incompetent as it is not properly brought before the Tribunal thus robbing the Tribunal of the jurisdiction to adjudicate on this matter. It is trite that you cannot put something on nothing and expect it to stand.

It is therefore, this Tribunal's view that the Applicant has made out a convincing reason for the grant of his preliminary objection as part of his grounds bother on issue of jurisdiction.

The Respondent Applicant's Preliminary Objection therefore succeeds. The Respondent is hereby discharged and acquitted and the case struck out accordingly.

The Applicant is however warned to desist from actions that will put the Institute in bad repute.

This shall be the Ruling of this Tribunal.

Dated this 11th day of March, 2019

Signed:
ALHAJI RAZAK JAIYEOLA, BSc, ACFE, CRISC, FCA
Chairman, Accountants' Disciplinary Tribunal

THE INSTITUTE OF CHARTERED ACCOUNTANTS OF NIGERIA
**IN THE ACCOUNTANTS' DISCIPLINARY TRIBUNAL
HOLDEN AT VICTORIA ISLAND, LAGOS**

CHARGE NO: ICAN/LEG/D.T/9120/2016

BETWEEN:

ICAN COMPLAINANT

AND

JULIUS AYODELE ADEGBITE (MN. 9120) RESPONDENT

JUDGMENT

The Respondent was charged before this Tribunal on one Count as follows:

STATEMENT OF OFFENCE:

PROFESSIONAL MISCONDUCT contrary to paragraph 21.2.3 of Chapter 21 of the Professional Code of Conduct and Guide for Members of the Institute, 2009 and punishable under the said Code of Conduct and Section 12(1) (a) of the Institute of Chartered Accountants of Nigeria Act, Cap. 185 Laws of the Federation of Nigeria 1990.

PARTICULARS OF OFFENCE:

That you **JULIUS AYODELE ADEGBITE (M)**, a Chartered Accountant sometimes in December, 2015 and April 2016 acted in a way disrespectful to the Institute of Chartered Accountants of Nigeria when you failed, refused and/or neglected to attend the proceedings of the Institute's Investigating Panel of 10th December, 2015 and 14th April, 2016 in the complaint of your former employee, Oladipupo Olajumoke despite being served with notices and reminder for the meetings and having been warned that your non-appearance shall amount to disrespect to the Institute.

This Tribunal had earlier on, precisely on Monday the 11th of February 2019, given judgment on this matter. In agreement with the submission of the Prosecution, it ruled that the conduct of the Respondent herein amounts to disrespect to the Institute. Below are the reasons for the decision.

At the February 21, 2017 Tribunal sitting, the Prosecution informed this Tribunal that all efforts to serve the Respondent with notice of several previous sittings proved abortive. The Tribunal consequently directed that notice of the case against him should be published in a national daily newspaper. However, shortly after the Tribunal's Order to publish in the newspaper, the Secretariat received proof that service of the processes had been effected on the Respondent at the address he had provided. The Tribunal therefore dispensed with publishing in the newspapers.

Since the Tribunal was satisfied that the Respondent had notice of the case against him, the Tribunal arraigned him in absentia on April 19, 2017, the Respondent having been aware of that day's sitting and in fact having replied the Secretariat's email which notified him of the April 19, 2017 Tribunal sitting. A plea of 'not liable' was entered for and on his behalf while further proceedings were adjourned for the Prosecution to prove its case. Several other sittings were held subsequently but the Respondent was absent and was not represented by Counsel.

At the Tribunal sitting of September 29, 2017, trial commenced with the evidence of Prosecution's only witness, Mrs Yeside Idowu, a member of the Investigating Panel which investigated the complaint against the Respondent through whom the Investigating Panel Report (with the attached documents) was tendered and admitted as "Exhibit 1."

The prosecution witness gave evidence of how the

Investigating Panel invited the parties to its meeting twice and that only the Complainant honoured the invitations whereas the Respondent sent a letter to the Panel stating that, being labour related the Panel lacked jurisdiction to investigate the matter. And that when called on phone in the course of the Panel's 14th April 2016 meeting, in the presence of all the people present, the Respondent reiterated his refusal to honour the Panel's invitation despite having been informed of the consequences of not honouring the Panel's invitation.

The prosecution called the Respondent to cross-examine the witness but this was not done as the Respondent did not appear and was unrepresented by Counsel. The matter was adjourned to enable the Respondent cross examine the prosecution witness. At the Tribunal sitting of January 16, 2018, the matter could not go on due to the absence of the Respondent who was again not represented by Counsel. The right of the Respondent to Cross-examine the prosecution witness was foreclosed at the February 26, 2018 sitting of the Tribunal. Thus, the witness was never cross-examined.

The Prosecution closed its case and the Respondent was called upon to open his defence. The Respondent did not testify neither did he call any witness to testify on his behalf. After several adjournments, the right of the Respondent to open his case was foreclosed as the Respondent did not appear despite several notices.

In addressing the Tribunal, the Prosecution filed a Final Written Address dated 8th February 2019 wherein she raised one issue for determination: Whether from the evidence and circumstances of this case, the conduct of the Respondent amounts to a professional misconduct. She argued that the evidence of the prosecution witness that despite several opportunities through letters and telephone calls to the Respondent informing him of the grave consequences of not appearing before the Investigating Panel, the Respondent rebuffed the overtures of the Panel has remained uncontroverted and unchallenged. She called on the Tribunal to hold that the Respondent had no defence to the allegations against him hence his refusal to appear before both the Panel and the Tribunal. She relied on the case of **BELLO Vs INEC (2010) 8 NWLR PART 1196 at 342; (2010) LPELR 767, PAGE 36, PARAGRAPHS A-B** and urged the Tribunal to find the Respondent liable for professional misconduct as charged.

Having considered all the facts and evidence before it in respect of this matter as well as the issue raised at the trial, the Tribunal holds that the Respondent was availed ample opportunity to defend his case but he refused to do so. The Tribunal considers the Respondent's refusal to appear before the Investigating Panel and Disciplinary Tribunal disrespectful to the Institute.

There was evidence before this Tribunal that the Respondent was adequately put on notice of the pendency of the allegations against him and was invited several times to both the Panel and the Tribunal. He blatantly refused to honour the invitations. This Tribunal frowns at such conduct and is of the opinion that the Respondent's failure and refusal to appear before the Panel and the Tribunal to defend himself is a serious act of professional misconduct capable of bringing the profession into disrepute if unchecked.

See the case of **MEDICAL AND DENTAL PRACTITIONERS DISCIPLINARY TRIBUNAL Vs DR JOHN EMEWULU NICHOLAS OKONKWO (2001) 2 MJSC PAGE 67 AT PAGE 78**. See also **Part IV, Chapter Twenty-one (21) of the Professional Code of Conduct and Guide for Members** of the Institute, which states that failure or neglect by a member to abide by requirements or directives of the Panel shall be treated as disrespect of the Institute and is sanctionable by the Disciplinary Tribunal.

Hence, as aforesaid, the Tribunal found the Respondent liable on the sole count as charged.

The Tribunal further considered the pains, expenses and man-hours wasted every time the Panel and the Tribunal sat to the insulting absence of the Respondent. See the case of **UBANATU Vs COP (2000) 2, NWLR P. 118-9**.

The Tribunal shall apply its discretion as is provided for under **Section 12(1) (a) of the ICAN Act**. Therefore:

- (i) The Respondent is hereby suspended from membership of the Institute for two (2) years.
- (ii) The Respondent shall return his Membership Certificate and License to Practise to the Institute forthwith.
- (iii) The suspension period shall start running from the date the Certificate and License are returned.
- (iv) The Respondent is at liberty to re-apply to this Tribunal for re-admission at the expiration of the suspension period duly served.
- (v) The Respondent is ordered pursuant to Paragraph 9(b) of the Chartered Accountants (Disciplinary Tribunal and Assessors) Rules to pay cost of N100,000.00 (One Hundred Thousand Naira) only, being the cost of the proceedings at the Investigating Panel and the Tribunal in respect of this case.
- (vi) Where the Respondent fails, neglects or otherwise refuses to return his certificate or fails to comply with the directive in paragraph v above, after three (3) months of this judgment, the Respondent's name will automatically be struck off the membership register.

This shall be the judgment of the Tribunal and same shall be published in the Institute's Journal.

Dated this 18th day of April, 2019

Signed:
ALHAJI RAZAK JAIYEOLA, BSc, ACFE, CRISC, FCA
Chairman, Accountants' Disciplinary Tribunal

Effective Institutions: Back to the Basics

By SHOLA MAKINWA

The most used indicator for economic growth is the output per capital of a nation, and this key measure depends significantly on the amount of human capital, physical resources and the technology available for creating economic activity and hence wealth.

¹Daron Acemoglu and James Robinson argued that institutions are the fundamental cause of economic growth and development across countries. Therefore, poor or bad economic growth and development can be attributable to ineffective institutions.

This article will focus on why Africa with ineffective institutions struggles for economic growth and social development. *United Nations Goal 16: Peace, Justice and Strong Institutions*, identified 12 key targets of achievements to ensure social and economic developments.² The 11th target of this key targets is to “Strengthen relevant national institutions, including through international cooperation, for building capacity at all levels, in particular in developing countries, to prevent violence and combat terrorism and crime”.

Though the United Nations did not specify any specific institution, however it is apparent that:

1. Human Capital Development is relevant, because it helps build human capacity. Therefore, education systems that deliver good and quality education which challenges the population against ills of the society, such as violence against women and children, human trafficking and sexual violence are key.
2. The Judiciary systems that pave the way for the provision of access to justice for all, are germane for building effective and accountable institutions at all levels.

United Nation’s research has identified some key facts and figures that can be attributed to poor or ineffective institutions:

1. Among the institutions most affected by corruption are the judiciary and police.

2. Corruption, bribery, theft and tax evasion cost some US \$1.26 trillion for developing countries per year; this amount of money could be used to lift those who are living on less than \$1.25 a day above \$1.25 for at least six years.
3. Birth registration has occurred for 73 per cent of children under 5, but only 46% of Sub-Saharan Africa have had their births registered.
4. Approximately 28.5 million primary school age children who are out of school live in conflict-affected areas.
5. The rule of law and development have a significant interrelation and are mutually reinforcing, making it essential for sustainable development at the national and international level.
6. The proportion of prisoners held in detention without sentencing has remained almost constant in the last decade, at 31% of all prisoners.

The above facts and figures are very alarming and should give every government in sub-African many sleepless nights, resulting in them creating the necessary urgency for effective institutions as part of the government urgent priority.

Different attempts have been made to define institutions, and this includes both Physical & Non-Physical structures. This article will focus on non-physical structure definition of institutions.

³ Institutions are the rules of the game in a society or, more formally, are the humanly devised constraints that shape human interaction:

1. That means institutions are humanly created or devised.
2. They are the rules of the game in the society.
3. Humanly created constraints (i.e. setting constraint on human behaviour) that shape human interaction in the society i.e. the checks and balances.
4. The societal interaction could be political, social or

economic.

5. Changes in institutions (Douglass North) shape the way the society evolves through time.

A major determinant of an effective institution is the way economic, social and political life is organised and interact. Knack and Keefer (1995) argued that there is a strong correlation between institutions and economic performance as demonstrated through the recognition of property rights enforcement, issue of corruption, entry barriers and enabling environment to allow individuals and small to medium entrepreneurship.

A good example is the cost of opening a small medium sized business in the United States is less than 0.02% GDP, whereas in Nigeria it was 2.7% of the GDP, 1.16% of GDP in Kenya and 4.95% GDP in Dominican Republic (Djankov *et al* 1999).

On the face of this data, one can be tempted to conclude that countries with worse institutions are poor and underdeveloped as suggested by the above data. One common feature of the above countries is that they were once a colonised country.

Europeans dominated and colonised the rest of the globe from about the fifteenth century until very recently in the 1960s. One of the effects of this colonisation was drawing of colonial boundaries, when they (Colonist) hardly understand the culture and the regions whose borders are being created and partitioned.

The consequence of this colonisation was the creation of "extraction industries" for resources for their home industries, without enforcement of property rights protection for indigenous owners, checks and balances against African colonial government. This strategy contrast against the colonies in the United States of America, Canada, Australia and New Zealand. In these colonies, the emphasis was on protection of property rights for the indigenous business, in particular small-medium entrepreneurs, and merchants (Acemoglu, 2007).

However, weak and poor institutions in today's African nations cannot continue to be blamed on its historical colonial past. Focus must be on two institutional characteristics:

1. Economic Institutions

Economic institutions determine the aggregate growth potential of the economy and the distribution of resources in the society.⁴ They are also a collective choice of the society, as they influence distribution of economic gains. Different part of the society, individuals and groups have preference for different economic gains. This potentially, may cause conflicts and depending on their political power, a group of individual, even if they do not have a political power, they may revolt, use arms, hire mercenaries to undertake and impose their wishes on the society. This phenomenon plays out regularly in Nigeria.

2. Political Institutions and Power

Individuals that hold political power will influence the evolution of political institutions, and they will strive all the time to maintain their grip on political power and the institution that protect the power. Thereby pushing for economic and political institutions that are favourable to their interest.

CONCLUSIONS

Political Power and Political Institutions

1. Ethnic specific traits, related to the role of chiefs, culture and pre-colonial legacy are a contributing factor for the state of institutions in Africa. This conclusion cannot be overlooked because the more conflicted groups of people who are ethnically different are, the greater the quest for weak institutions that can easily be manipulated. This is one of the legacies of colonialism and the partitioning that were adopted on most African countries.

2. **Political Equilibrium.** To achieve a stable institution, an equilibrium of different collective choices across divergent groups within a nation must be harmonised. In other words, promoting real democracy, accountability and checks & balances.⁵

3. **Intitutional Structures.** The perception that institutions once setup will become a law on itself and stays rigid is misleading. The Financial Markets, the banking systems, the civil service/public sector requires continuous reforms.

This includes the use of modern technology that enhances work practices and increase productivity. "The rapid take-off of growth in China after 1978 was a result of policy and institutional reforms. These were a direct result of the defeat of the Gang of Four and a dramatic shift in those who controlled the Communist Party. Growth did not occur because the culture of the Chinese changed, or because some geographical constraint was lifted."⁶

FOOTNOTES

1. The Role of Institutions in Growth and Development by Daron Acemoglu and James Robinson (Working Paper 10).
2. United Nations Sustainable Goals.
3. Douglass C. North, Washington University, St Louis (Page 3-10).
4. The Role of Institutions in Growth and Development by Daron Acemoglu and James Robinson.
5. National Institutions and Subnational Development in Africa: Stelios Michalopoulos & Elias Papaioannou. Working Page 18375.
6. Growth and Commission Paper 10: Australian Govt, DFID, Dutch Ministry of Foreign Affairs, Hewlett Foundation, SIDA and World Bank. ●

★ Mr. Shola Makinwa, MSc, FCCA, ACA is Managing Partner: Krypton Consulting - Chartered Certified Accountants (UK) and a member of ICAN UK Conference Committee.

Cybercrime Threatens Trust in Business

— How Accountants Can Help

By SYLVIA TSEN and STATHIS GOULD

Cybercrime threatens trust and transparency in business and governments on a daily basis. As a customer, taxpayer, supplier or other stakeholder, we ask ourselves whether we can trust an organisation to effectively secure our data.

The public increasingly expects greater openness about the ethical issues arising from cybersecurity breaches, and how personal data is protected. In their roles as value protectors and stewards, accountants need to be part of the solution when it comes to cyber security, whether they are advising their clients or working in a finance and accounting team, or in a broader strategic or operational role.

IFAC's cybersecurity webinar provides valuable insights on what professional accountants need to think about in terms of their role in cybersecurity. This includes using their skills and expertise to protect data and information, as well as reporting on a company's cybersecurity risk management program and controls.

The cybersecurity landscape is changing rapidly as organisations store more data and hackers have more opportunities to break into systems. The consequences of breaches in the form of fines and legal action, and ultimately a loss of customers, are also more significant.

The Ninth Annual Cost of Cybercrime Study by Accenture and Ponemon Institute finds that information theft is the most expensive and fastest rising consequence of cybercrime (although data is not the only target). Companies don't think twice about insuring their buildings, but in many instances are exposed to loss and damage to their data. In the best case, stolen



data, hacked systems and malware cause significant operational disruption. At worst, there will be reputational damage.

Businesses need to act on the basis that their security will be comprised. For boards of directors and other stakeholders, cybersecurity needs to be treated as a significant business risk. Those in oversight or management capacities therefore need greater insight into how organisations manage cybersecurity as part of their risk management programs.

Given that cyber security is a complex, multifaceted business risk, it is important to involve directors and management in ensuring a comprehensive business-led approach that embeds

cybersecurity issues into all decision making and operations involving the company's information networks and data.

A holistic risk management rather than piecemeal approach is the only effective way of dealing with an ever-changing business landscape, and the continually evolving threats and risks that span people, processes and technology across the business.

Involving all levels of an organisation helps to ensure that there is a framework understood by all and that the various lines of defense can collectively manage and mitigate cybersecurity risks on an ongoing basis.

A proactive and pragmatic risk-based approach involves identifying gaps, targeting resources to deal with key threats, and broadening cybersecurity activities beyond prevention to include intelligence, detection and response. Key steps include understanding cybersecurity roles and capabilities, and identifying, mitigating and monitoring specific risk areas such as privacy risk or cloud security.

Identifying and mitigating cyber risks involves mapping out major processes, systems and information flows, and assessing risk remediation plan and appropriate controls, and ongoing monitoring.

In terms of dealing with substantial gaps in cybersecurity levels, it is important to identify the most critical information assets, and get the basics right. For many organisations, this means dealing with fundamental security practices including boundary firewalls and internet gateways; secure configuration; access control; malware protection; and patch management. Basic discipline involves responding to new standards and regulation, understanding the weaknesses in legacy systems, and identifying where investment in technologies can help.

Supporting smaller businesses is an important opportunity for firms to provide useful business advice. The professional accountant advisor can be particularly important in:

- Helping clients assess their governance and risk management – smaller businesses tend not to have strong risk management and control expertise. Accountants can ensure adequate business continuity and disaster recovery planning, particularly in the face of ransomware threats;
- Helping clients quantify risks and return on investment based on cost of breaches and stolen data and factors that impact cost; and
- Helping to mitigate risks with effective controls.

The ICAEW provides simple cyber security steps for smaller firms. To help accountants in terms of risk management and attestation, the AICPA's System and Organisation Controls (SOC) for cybersecurity provides the basis for transparent and consistent communications about an organisation's cybersecurity risk management efforts, and increasing stakeholder confidence in management-prepared information

about an organisation's cybersecurity efforts.

The AICPA's cybersecurity risk management reporting framework, a key element of the SOC, includes description criteria for management of an entity's cybersecurity risk management program, and the key components of a cybersecurity attestation report covering management's description of the entity's risk management program and their assertion on the operating effectiveness of controls to achieve cybersecurity objectives, and the CPA's report on these.

The Impact on Knowledge and Skills

An enhanced role in cyber security does require relevant knowledge, skills and experience. For accountants to effectively

“ A proactive and pragmatic risk-based approach involves identifying gaps, targeting resources to deal with key threats, and broadening cybersecurity activities beyond prevention to include intelligence, detection and response. Key steps include understanding cybersecurity roles and capabilities, and identifying, mitigating and monitoring specific risk areas such as privacy risk or cloud security ”

undertake cybersecurity risk management or attestation services, key areas of knowledge and skills include:

- Relevant IT systems and technology, as well as the ability to keep current on changes in the technology and systems environment.
- Understanding IT processes and controls and their evaluation.
- Awareness and relevant experience with cybersecurity frameworks.
- Understanding an entity's industry and business and whether it is subject to specific types of cybersecurity risks.
- Establishing and engaging multidisciplinary teams, for example including information security professionals and auditors.

The accountant also needs heightened ethical awareness when it comes to considering what action to take when there has been a breach in either their own organisation, or in one that they are advising. Given the accountant's obligation to act in the public interest, it might be necessary to make a public disclosure, such as informing customers that their personal information has been exposed. If there has been a ransom demand, it might be necessary to seek specialist advice and support. ●

★ **Sylvia Tsen is Executive Director, Knowledge, Operations and Technology at IFAC while Stathis Gould is Deputy Director, Professional Accountants in Business at IFAC.**

How to Support the SMP of the Future

By EAMONN SIGGINS and JAMIE LYON

Small and medium-sized practices (SMPs) face many challenges in today's fast-changing world. Take digital technologies, which will replace many entry-level roles in the profession and are changing the mode of delivery for some traditional services, such as audit.

Regulation and deregulation also have an impact on SMPs. For example, deregulation in business through the introduction or raising of audit thresholds, has led to changes in the provision of traditional audit services by accountancy firms. In addition, there is increased competition between accountants and other professions. SMPs are also facing challenges in relation to attracting and retaining the skilled staff they need, and responding to competition from larger firms now seeking to enter the market serviced by SMPs and win business with small and medium-sized enterprises (SMEs).

In 2017, the Edinburgh Group (EG), a coalition of 16 accountancy bodies from across the world, commissioned research looking at the challenges and opportunities that SMPs and professional accountancy organisations (PAOs) face in this volatile and uncertain environment. The extensive research included an SMP survey eliciting 1,906 responses from 52 countries, a survey of and interviews with staff in EG PAOs, and a series of SMP case studies.

It also drew on existing professional and academic literature on SMPs. The findings, including recommendations for PAOs and SMPs, are presented in the January 2019 report, 'The SMP of the Future in a Changing World'.

The findings indicate that SMPs worldwide expect environmental factors to continue to present both challenges and opportunities for their practices in future. However, SMPs have limited access to the resources, networks and expertise required to invest continuously in assessing the consequences of the incessant environmental changes affecting the accountancy profession.

Response Gap

The SMP survey found that a troubling minority of the respondents' SMPs are not currently addressing the challenges and/or capitalising on the opportunities associated with environmental change. For example, of the practices facing or expecting to face challenges associated with digital technologies,

26% are not responding to, and have no plan to respond to, these challenges. In addition, 22% of SMPs have not capitalised on, and have no plans to capitalise on, the opportunities associated with digital technologies.

Similarly, of the practices facing or expecting to face challenges associated with regulation or deregulation, 23% are not responding to, and have no plan to respond to, these challenges. Meanwhile, 17% of the SMPs have not capitalised on, and have no plans to capitalise on, the opportunities associated with regulation or deregulation.

SMPs appear too passive in relation to seizing new opportunities: 30% of SMP survey respondents said their practice 'rarely' or 'never' seeks out new markets and opportunities to launch new services.

PAOs' Role

Previous research has found that Professional Accountancy Organisations (PAOs) play three primary roles. They create a space for interaction between members, publicly represent their members, and monitor members' compliance with PAO expectations. Most PAOs focus on the latter – but the EG research shows that in order to support the accountancy profession properly, they need to undertake coherent activities in all three areas.

In particular, because of their own limited resources, SMPs expect PAOs to play a proactive role in offering guidance and support in addressing the challenges and opportunities associated with a changing world.

For example, SMPs look for support in relation to developments in digital technologies and changing regulation. The EG research found that the majority of PAOs since 2013 have developed guidelines and tools to support their SMP membership in addressing challenges and opportunities specific to their jurisdiction, such as tools for integrated reporting or integrated thinking, auditing software tailored for SMPs or tools related to the General Data Protection Regulation (GDPR). Even so, more could be done.

Recommendations for PAOs

The EG report recommends that PAOs should segment their membership in order to better understand the needs of their



SMP members. They should also:

- Be proactive in anticipating and understanding evolutions in the accountancy profession and support SMPs in obtaining and/or developing the skills needed now and in future to meet the ever-changing expectations/needs of their clients;
- Help SMPs identify and address national/regional challenges and opportunities;
- Provide their SMP members with advice on managing their practice;
- Consider supporting SMP innovation in, for example, the services provided by introducing new qualifications and certificates;
- Promote, encourage and facilitate networking among SMPs and between SMPs and SMEs;
- Partner with IT companies to create and expand awareness of new technologies among accountants; and
- Publicly support and represent the accountancy profession by, for example, collaborating with relevant government agencies and supporting initiatives with universities and high schools to create awareness of opportunities in the accountancy profession.

Recommendations for SMPs

SMPs need to take their own steps to help build a successful future. The EG research report recommends that they should:

- Be proactive in seeking out new markets for their services and consider growth and diversification of their service offerings;
- Consider in-house training, hiring of accountancy-qualified and non-accountancy expertise and/or collaborations with other accountancy firms and service

- providers;
- Use networking to offset their limited internal resources for addressing challenges and opportunities;
- Apply understanding of their competitive environment to inform strategic decisions on the services they provide;
- Identify new service offerings (and determine firm structure and hiring decisions) based on a well-informed strategic response to environmental challenges and opportunities associated with, for example, digital technologies and regulation/deregulation;
- Develop, within a diversification strategy, niche expertise;
- Exceed client expectations and develop a close relationship with clients;
- Be more efficient to reduce costs;
- Manage client expectations by, for example, being specific about the service(s) provided for specified fees;
- Promote their advantages better when competing with larger firms for talent (including for the younger generation), for example, by offering a better work-life balance and promoting their entrepreneurial spirit and opportunities for faster promotion and being more involved in the business;
- Focus not only on services offered, but also on financial and commercial discipline;
- Build a brand, particularly firms with multiple partners and staff; and
- Develop a strategy to counter competition. ●

★ Eamonn Siggins, Chief Executive, CPA Ireland and Jamie Lyon, Director of Professional Insights.

24/7 BANKING WITH ECOBANK MOBILE



1 SEND MONEY

2 PAY BILLS

3 BUY AIRTIME

4 SHOP CASH-FREE

Don't have Ecobank Mobile yet?
Download Now



ecobank.com



Ecobank
The Pan African Bank

Join us on a Journey to a **better** life



INTRODUCING
 **XPRESS**
PAYMENT SOLUTIONS LIMITED

Xpress Payment Solutions Limited is a financial technology company that specializes in the design, implementation, and provision of electronic payment solutions in order to simplify and enable smart living.

Think Better
Think Xpress

info@xpresspayments.com
+234 818 886 6033, +234 818 886 6022
www.xpresspayments.com

INFINITI

S
Y
S

 *Beyond all limits*



Infiniti is a CBN licensed Payment Solution Service Provider (PSSP) with Financial Solutions for both Public Sector and Private Sector. Our erpCREDIT platform has various embedded applications.

OUR PRODUCTS:

- Public Sector Internally Generated Revenue Enhancement
- Tax Admin Application
- Payroll Application
- Billings
- Collections and Payments
- Education Application
- Hotel Application
- Hospital Application

KEY STRENGTHS:

- Mobile app versions of all product available.
- Self service.
- Customized for local use.
- Cloud hosted and secure.
- 24 x 7 system availability.

It is affordable

INFINITI SYSTEMS ENTERPRISES:

258B Etim Inyang Crescent Victoria Island, Lagos.
Tel: +2348034051270, +2348183301234, +2348089991234
<http://demo.erpcrbit.com>, www.infinitisys.com
info@infinitisys.com

Introducing...

Remita SME Suite

The right business tool for growth

remita
...because payments should be easy



Sell Everywhere:
receive money faster,
9 payment channels



Smarter Payments:
multi-bank from
a single login



Manage Employees:
pay salary, payslips,
records etc.



Value Added Services:
access funding
for your business

To get started, visit www.remita.net/business or call: +234 (1)2805182



RemitaNET

By Prof. KABIRU ISA DANDAGO

Introduction

Since the main thrust of this presentation is the concept of Artificial Intelligence (AI), which is an integral part of **Change in Technology**, we need to start by appreciating the recognition Accounting accords to the reality of **Change in Technology**.

All Accounting standards-setters across the world standardise for the treatment of depreciation, which is universally accepted as a reduction in the value of an asset, as a result of four causative factors: Usage, Passage of time, Wear and tear, and **Change in Technology**.

Technology is a collection of techniques, skills, methods and processes used in the production of goods or services or in the accomplishment of objectives, such as scientific investigation.

Technology can be the knowledge of techniques, processes, and the like, or it can be embedded in machines to allow for operations without detailed knowledge of their workings.

Therefore, change in technology essentially refers to change in skills, methods and processes of production or provision of services or in the accomplishment of objectives.

As machines display all the above capabilities of human beings, are Nigerian accountants ready to embrace the current dynamics in **Change of Technology** in relation to their professional and practical works, with AI on the front burner?

Globally, governments of various countries, professional associations (including accountancy professional bodies) and their members, scientists, Non-Governmental Organisations, etc have been working tirelessly to adapt to, and adopt, this scientific/industrial revolution.

- ▶ AI is simply about the intelligence exhibited by an



Artificial Intelligence Versus the Accountant: Threat of Obsolescence



- ▶ artificial (non-natural, man-made) entity.
- ▶ AI is about the application of computational tools to address tasks traditionally requiring human sophistication.
- ▶ AI is about the essential quality of a machine which thinks in a manner similar to a real human being or even better!
- ▶ AI is the branch of computer science dealing with the reproduction of human level intelligence, self-awareness, knowledge, conscience, and thought in computer programs.
- ▶ AI is simply about the intelligence exhibited by an artificial (non-natural, man-made) entity.
- ▶ AI is about the application of computational tools to address tasks traditionally requiring human sophistication.
- ▶ AI is about the essential quality of a machine which thinks in a manner similar to a real human being or even better!
- ▶ AI is the branch of computer science dealing with the reproduction of human level intelligence, self-awareness, knowledge, conscience, and thought in computer programs.

▶ As accountants are always at home when it comes to utilisation of human behavioural models that could enhance their productivity, AI is to be seen as a welcome development to them and to their profession.

▶ This presentation reviews the challenges posed by AI to the accounting professionals and the need for accountants to see AI as enhancer of their productive services rather than a development that might make their services obsolete or irrelevant.

More Conceptual Explanations on AI

The term **artificial** could be given three clear meanings as follows:

- ▶ Something produced by human effort rather than by nature.
- ▶ Something made in imitation of or as a substitute for something natural.
- ▶ Something not genuine or natural. Example: Artificial leg.

The term **intelligence** could carry four meanings, as follows:

- ▶ The quality or exercise of active intellect; knowledge; ability to exercise high mental functions; readiness of comprehension.
- ▶ Information acquired or communicated; notification; news; especially secret information, political, military, etc.
- ▶ Mutual understanding; interchange of information or thought; to exchange a look of intelligence.
- ▶ An intelligent being; especially a spirit not embodied; the supreme intelligence.

All these suggest that Intelligence refers to *the ability of a system to (naturally or artificially):*

- Calculate,
- Reason,
- Perceive relationships and analogies,
- Learn from experience,
- Store and retrieve information from memory,
- Solve problems,
- Comprehend complex ideas,
- Use natural language fluently,
- Classify,
- Generalise, and
- Adapt to new situations.

Prospects of High Mental Function of AI (19 examples)

- ▶ Software will disrupt most traditional industries in the next 5-10 years.
- ▶ Uber is just a software tool, they don't own any cars, and



CBC emea Group established over 30 years ago has been in the forefront of digital transformation in Nigeria by delivering high quality and leading-edge solutions designed to help organizations achieve their business objectives.

As one of the largest ICT Conglomerates in West Africa with six subsidiaries, we have wide experience in several successful strategic projects in Oil & Gas, Financial, Security and Telecommunications sector of African economy.

Connect with us today for a digital transformation experience.



Anti-Smash and Grab Protection for Vehicles



Transformational cybersecurity solution



Intelligent Communication Feeder Pillar Device



Multipurpose Anywhere Anytime Quality eLearning Solution



TeacherApp
...enriching teaching & inspiring learning

StudentApp
...enriching learning & inspiring teaching



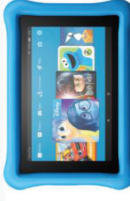
ROBOTICS
Process Automation



Teacher
GUIDE
...Digital Teachers Training



BluSlate
Tablet for Education
Empowering Teachers & Inspiring Students



BluKID Pad
Educational & Fun Pad for Kids

CBC Infrastructure CBC Gedu Technologies CBC Properties CBC Energy CBC Surveillance CBC Netcomms



www.cbceamea.com

Contact Us: Address: CBC Towers, 10/11 Olubunmi Owa Street, Lekki Phase 1, Lekki, Lagos Email: marketing@cbceamea.com , 01 710 1932 / 0909 499 8820

(Higher Services, Higher Satisfaction)

- ▶ are now the biggest taxi company in the world.
- ▶ Computers become exponentially better in understanding the world. In year 2018, a computer beat the best Go player in the world, 10 years earlier than expected.
- ▶ With IBM Watson you can get legal advice within seconds, with 90% accuracy compared with 70% accuracy when done by humans.
- ▶ Facebook now has a pattern recognition software that can recognise faces better than humans.
- ▶ By 2030, computers will become more intelligent than humans. AI to be better than NI?
- ▶ Autonomous Cars: In 2020 the first self-driving cars will appear for the public.
- ▶ Around 2020, the complete Car industry will start to be disrupted. You will call a car with your phone, it will show up at your location and drive you to your destination.
- ▶ You will not need to park it, you only pay for the driven distance and can be productive while driving.
- ▶ The 1.2 million people that die each year in car accidents worldwide would go down substantially!
- ▶ Insurance Companies will have massive trouble because without accidents, the insurance policies will become cheaper.
- ▶ Cities will be less noisy because all cars will run on electric.
- ▶ Electricity will become incredibly cheap and clean: Solar production has been on an exponential curve for 30 years, but you can only now see the impact.
- ▶ The price for solar will drop so much that all coal companies will be out of business by 2025.
- ▶ With cheap electricity comes cheap and abundant water. AI, therefore, enhances clean water supply.
- ▶ Agriculture: There will be a \$100 agricultural robot in the future. Farmers in 3rd world countries can then become managers of their field instead of working all days on their fields.
- ▶ There are several startups that will bring insect protein to the market shortly. It contains more protein than meat. It will be labeled as "alternative protein source".
- ▶ There is an app call "moodies" which can tell the mood in which you are.
- ▶ Until 2020, there will be apps that can tell by your facial expressions if you are lying. Imagine a political debate where it's being displayed when they are telling the truth and when not!

Current Applications of Artificial Intelligence Globally

Applications of AI are many in the world today:

- (i) Aero Planes
- (ii) Smart Cars (equipped with digital/computer tech)
- (iii) Smart Homes
- (iv) Virtual Assistants (working remotely for the clients)
- (v) Surveillance
- (vi) Detecting Credit Card Fraud
- (vii) Online Customer service chat bots
- (viii) Online Predictive Purchasing

- (ix) Online Smart Recommendations
- (x) Work automation
- (xi) Recruitment.

Other specific areas of AI applications are:

Gaming

- ▶ AI plays crucial role in strategic games such as chess, poker, tic-tac-toe, etc., where machine can think of large number of possible positions based on heuristic knowledge.

Natural Language Processing

- ▶ It is possible to interact with the computer that understands natural language spoken by humans.

Visual Systems

- ▶ These systems understand, interpret, and comprehend visual input on the computer. For example:
 - A spying aero plane takes photographs which are used to figure out spatial information or map of the areas.
 - Doctors use clinical expert system to diagnose the patient.
 - Police use computer software that can recognise the face of criminal with the stored portrait made by forensic artist.

Speech Recognition

- ▶ Some intelligent systems are capable of hearing and comprehending any language in terms of sentences and their meanings while a human talks. It can handle different accents, slang words, noise in the background, change in human's noise due to cold, etc.

Handwriting Recognition

- ▶ The handwriting recognition software reads the text written on paper by a pen or on screen by a stylus. It can s the shapes of the letters and convert it into editable text.

Intelligent Robots

- ▶ Robots are able to perform the tasks given by a human. They have sensors to detect physical data from the real world such as light, heat, temperature, movement, sound, bump, and pressure. They have efficient processors, multiple sensors and huge memory, to exhibit intelligence. In addition, they are capable of learning from their mistakes and they can adapt to the new environment.

Opportunities Rather Than Threat of AI to Accountants

- ▶ Accountants are experts in the provision of accounting information (which covers financial, business, economic, managerial and technological matters) to guide decision making by users.
- ▶ To develop satisfactory information for users, the process of identification, measurement, computation, analysis and reporting must be followed and these require competence, integrity and loyalty to the system

- ▶ in operation.
- ▶ AI's capability in this process is mainly computational. On the other capabilities, AI is only to complement the NI of Accountants!
- ▶ AI is an element of HC Efficiency, which is a core component of Intellectual Capital.
- ▶ The users of Accounting information could be insiders (management, directors, employees) or outsiders (shareholders, creditors, customers, government agencies, prospective investors, etc).
- ▶ The users could also be categorised as primary users (shareholders and creditors) and secondary users (all others) or direct (those needing the accounting information for their own use) and indirect users (those needing the information to guide others, like their clients).
- ▶ Accountants produce information from financial accounting, cost and management accounting, auditing, taxation, forensic accounting, government accounting, petroleum accounting, responsibility accounting, environmental accounting, human resource accounting, peace accounting, water accounting, spiritual accounting, etc to guide various informed decisions by numerous users.
- ▶ To produce varied information needed as per the numerous branches of accounting, NI of the Accountants might have to be complemented by AI so that the information could be better produced to serve the needs of various users.
- ▶ AI can not replace the NI of Accountants on all aspects of identification, measurement, computation, analysis and reporting. It could only complement the NI of the Accountants, thereby paving ways for creating more job opportunities for many more people!

Is AI Any Threat of Obsolescence to Accountants?

Lets refer to the work of Greenman who did a scholarly exploration about the impact of AI on Accounting in 2017. The research work was restricted to the place of AI Technology in production of Financial Accounting Information, Audit Work and Job Creation.

The following results were obtained:

- (i) The job description of today's accountant looks very different from that of the accountant of 20 years ago. In another 20 years, accountants will again play a different role.
- (ii) The roles of Accountants will change substantially over the next decade. More emphasis will be placed on consulting, business development, advisory services and risk management.
- (iii) Accountants will need to embrace specialisation and the use of technology.
- (iv) AI is being designed to think, feel, and react like a living, breathing creature.

Another study done by Deloitte reveals as follows:

- (i) AI could emerge with a whole new class of products and services specifically applicable in the areas of

- accounting.
- (ii) These products or services include: customer service, research and development, logistics, sales, marketing and informational analysis.

Another study done by the Association of Chartered Certified Accountants (ACCA) reveals the following results:

- (i) There is the possibility that automation will relieve many burdensome tasks that would enable accountants to focus on consulting services and other higher-value work.
- (ii) In the very near future, AI may be completely involved in the monitoring and evaluation of compliance with accounting standards and regulations, organisational policy, employee evaluations and even hiring and firing.

Other Important Areas of Support to Accountants from AI technologies are:

- ▶ AI can facilitate auditors to automate those tasks that have been conducted manually by humans for decades.
- ▶ Auditors can be freed in order to focus on improving quality by evaluating advanced analytics, spending additional time providing insight and applying better professional judgement.
- ▶ One particular area that AI has been extremely useful is that of document review.
- ▶ Reading through pages of contracts in order to mine key terms has, in the past, been a time intensive, manual process. This is taken care of by AI.
- ▶ In 2016, KPMG released plans to begin to use AI on their audit engagements in Australia.
- ▶ Their proposal is to use IBM's cognitive computing technology called "Watson".
- ▶ Executives from KPMG maintain that by using Watson they can extend the data and analytics.
- ▶ Where audit sample sizes were once limited by time and man-power, there is now no limitation to the sampling that can be done.

On Job Growth and Number of Accountants in US, for example:

- In 2016 there were 664,532 CPAs (Certified Public Accountants) in the US.
- According to the US Department of Labour, Bureau of Labour Statistics there are 1,226,910 individuals employed in the accounting profession in the United States.
- Many fear that with the advances in technology, specifically in AI, there will be a loss of jobs.
- The fear is that computers will take over for humans, offering free labour, better accuracy and no personality conflicts.
- If those fears were being realised we would expect to see a decline in the number of professional accountants.

However, the exact opposite is true!

- The US Bureau of Labour and Statistics reports that the accounting profession is projected to grow at a rate of 11 percent over the next 10 years, an increase of over

- 142,000 new accounting and auditing jobs.
- Chief Financial Officers (CFOs) are looking to hire finance and accounting individuals who are experienced in data analytics, modeling techniques, proficient with accounting software and advanced in Microsoft Excel.
 - In other words, they are looking for people who can work with the new technology.
 - They want people with the skills necessary to work in a global company, who can keep up with the quickly changing demands of technology.
 - By 2030, all low-level accounting work will be completely automated and there will be some form of AI augmentation with the Accounting Firms to assist their work.
 - Accounting Firms must focus on strategic value creation for their Clients.
 - No more Book Keepers, Data Entry Operators and Compliance Inspectors.
 - The experts that are insufficiently available are accountants that are good in identification, measurement, data analytics and quality reporting, with some aid of AI.

Concluding Remarks

Accounting is so rooted in humanity that from the birth of a child, to the death of a person, up to the appearance of the person before God, many signs of Accounting are being manifested, necessitating the role of accountants to be on an increasing basis.

Going through the numerous branches of Accounting and what they represent, it is very clear that the discipline carries with it solutions to almost all the problems of humanity, and Accountants are needed to apply the solutions on the identified problems. AI only facilitates the process!

The modern day Accounting is arguably:

- Birthed by Mathematics (remember Luca Pacioli);
- Nurtured by Economics (remember Adams Smith, etc);
- Academically and professionally matured in humanity;
- Aged by its branches; and
- Is to be buried ONLY by nature. Not by any disruption, like AI!

AI is critical to the future of the accountancy profession. It is a vital tool that will provide the profession with the needed tools to increase the efficiency and effectiveness of accountants.

The repetitive tasks of bookkeeping or process-driven assignments are more likely to be replaced with an automated technology (AI), so that higher value specialties that involve professional judgement are concentrated on by NI.

Future generation of accountants need to understand and be prepared to work alongside AI.

Although AI doesn't have the capability to replace accountants, it has the capacity to change the focus of accountants' work and contribution to humanity! ●

★ Prof. Kabiru Isa Dandago, PhD, FCA is a Lecturer in the Department of Accounting, Faculty of Management Sciences, Bayero University, Kano, Nigeria.

FIRM REGISTRATION: PROCEDURES FOR PAYMENT

(a) PAYMENT VIA PAYDIRECT

1. Pay the requisite fee of **N10,000** per partner at any commercial bank via **PAYDIRECT** for Firms Registration.
2. If more than one partner, pay for all the partners at once using the Membership number of the most senior partner.
3. Go to the weblink (<http://icanportal.org/members/paymasters/PayDirectIndex>) at the top of the receipt obtained at the bank.
4. Open weblink and insert your Deposit Number and Receipt number to generate PIN and new Serial number.
5. Go to <http://icanportal.org/members/FirmsRegs>
6. Insert PIN, serial number, CAC number and Membership number of the most senior partner of the firm to access the registration portal.
7. Complete the required fields and submit.

(b) PAYMENT VIA WEB

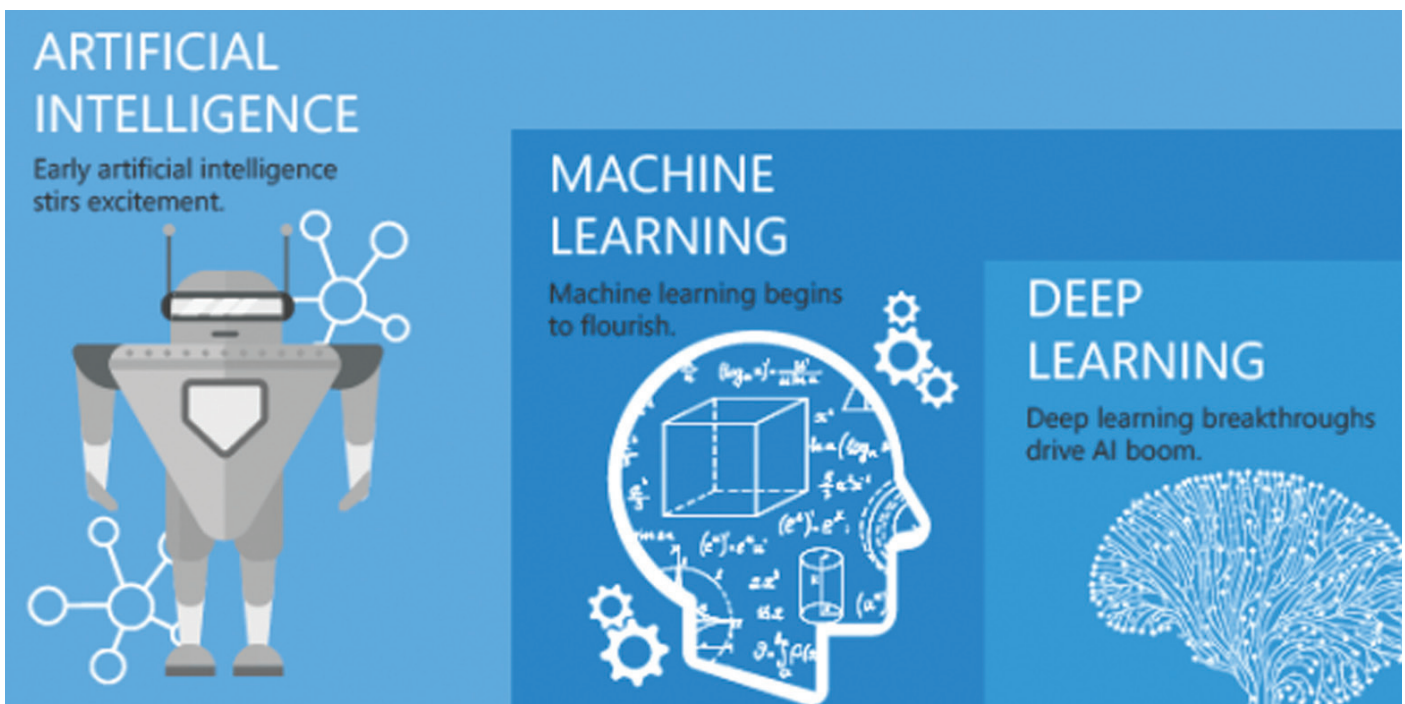
1. Visit <http://icanportal.org/members/paymasters/Create>
2. Click proceed to register.
3. Click new web payment.
4. Transaction Reference is generated.
5. Insert Membership number, GSM and e-mail (If more than one partner, pay for all the partners at once using the Membership number of the most senior partner).
6. Click Add to select item to pay **N10,000** per partner and insert amount.
7. Proceed to pay with your ATM Card.
8. Proceed to complete your registration and submit.

(c) PAYMENT VIA QUICK TELLER

1. Pay at quickteller.com/ican
2. Go to the weblink (icanonline-ngr.com/quickteller).
3. Enter the Payment Reference to generate PIN and new Serial number.
4. Go to <http://icanportal.org/members/FirmsRegs>
5. Insert PIN, serial number, CAC number and Membership number of the most senior partner of the firm to access and complete the online registration form.

Building Data Science and Analytics Capabilities in Finance and Accounting

By STATHIS GOULD



A strong finance and accounting background is no longer sufficient to become a value-add business partner over the long term. That was the clear message from IFAC's Professional Accountants in Business Committee which is looking at the finance and accounting professional role in data science and analytics.

At its March 2019 meeting, a workshop led by Jeff Thomson, President and CEO of the IMA, and Daniel Smith, Founder of advisory firm Theory Lane and member of the IMA Technology Solutions Group, considered how finance and accounting talent management needs to evolve quickly to emphasise competency in data science, analysis, and visualisation.

Bhavesh Shah, Senior Vice President (and incoming IMA

Board member), and Gurdeep Singh, Global Data and Analytics Lead, both from Johnson & Johnson's Global Finance, based in its Singapore Financial Planning and Analysis (FP&A) Center of Excellence, provided insights into the knowledge, competency and skills required for accounting and finance professionals to develop their contribution to data analytics. They also outlined best practices in learning and development approaches.

Why are data and analytics so important to finance and accounting professionals?

As *The Economist* aptly put it in 2017, the world's most valuable resource is no longer oil, but data. Technology advances have made it much easier to amass data in huge quantities.



the critical aspects of data science that are needed for accountants to deliver insight and foresight.

The primary obstacle for businesses to leverage their data is a talent shortage. Businesses across industries require people with data analytics skills who are prepared to challenge norms.

While management accountants probably don't need to become expert data scientists, they do need greater data science and analytical skills in order to derive insights from data and to enable more effective decision making and control.

Future ready accountants will need enhanced competence and skills in:

- Statistics – to discover the patterns and insights provided by data;
- Data applications covering a range of areas, such as data governance, data architecture, data creation and storage, data transformation (extraction and transformation), data manipulation and modeling, and technology skills including machine learning and algorithms; and
- Business domain and applications combining an in-depth understanding of the business to identify problems and opportunities, and developing

Capitalising on this data helps to create value and growth, which is why organisations are investing in people and technological capabilities to extract greater value from data.

The digital and data revolution provides massive opportunity for finance functions and offers exciting career options for existing and prospective finance and accounting professionals. CFOs, finance functions and internal audit functions, as well as accountancy firms, are significantly increasing their capacity in data science, data analytics, and data governance.

IMA's survey, *The Data Analytics Implementation Journey in Business and Finance*, highlights how organisations that have implemented leading-edge analytic techniques and technologies uniformly report improvement in their performance.

As more data and analytical roles are integrated into financial planning processes, new opportunities are emerging within finance and accounting functions, as well as new challenges.

What do finance and accounting professionals need to know?

For the accountancy profession, Jeff Thomson emphasised

insights and intelligent solutions, including using tools for better visualisation and workflow integration.

Business and leadership competence will continue to be paramount to enable effective communication (analytics translation), interpretation of results, and relevant recommendations for decision-making.

Daniel Smith highlighted the changing landscape of data science, which is a continually evolving discipline covering data and data tools, statistics, and machine learning in the context of business needs.

Although demand for data science professionals is rapidly increasing today, the nature of data science will become more integrated into processes with the further evolution of artificial intelligence (AI) and cognitive business. Consequently, knowledge requirements will dramatically change as business moves from data science to AI in the coming years.

The areas in which data science and machine learning are forming the basis of new opportunities for finance and accounting professionals include enhanced roles in:

- Accountability and transparency in the areas of fraud, audit and attestation;
- Planning and analysis helping to improve forecasting, driver-based costing and profitability modelling, and supply chain;
- Data stewardship and governance to ensure reliability, comparability and consistency; and
- Decision making and ensuring relevance, understanding and cost/benefit.

In response to the rising importance of data and technology, the IMA has released an enhanced Management Accounting Competency Framework for Professionals in the Digital Age. Technology and Analytics is included as a distinct knowledge domain, and includes four competency areas covering information systems, data governance, data analytics and data visualisation.

Learning and development approaches to support accounting and finance professionals.

Johnson & Johnson Global Finance is investing in developing advanced analytics capability in its FP&A Center of Excellence. This investment aims to ensure the global finance function is more focused on planning and analysis, and that the operational and financial planning processes are integrated.

By building standardised processes and a single planning tool and data warehouse, they are enabling greater integration between business units. They have standardised reporting and automated repeatable tasks, providing greater descriptive capability through self-service dashboard reporting and diagnostics.

In their current phase, they are investing in predictive analytics in P&L, cash-flow and balance sheet forecasting, prescriptive analytics (e.g., pricing) and cognitive services (e.g., chatbot).

The focus of FP&A is ultimately on bridging the gap between data science and business needs to enhance decision making. To support their evolution to advanced analytics, new roles are being developed. Although external data science expertise has been needed, the focus is on upskilling existing talent.

The mission for the FP&A Center of Excellence is to be a talent incubator for the finance function, equipping finance and accounting professionals with future-ready skills in advanced analytics and forecasting. This investment is largely self-funded through savings from automation.

Johnson & Johnson's training approach is to provide open source and customised in-house learning through training and online platforms. Training is developed and supported by external partners such as the National University of Singapore Business Analytics Centre and Singapore Management University.

Training courses in 2019 cover techniques, methods and tools, including statistics, linear regression models, time series forecasting, exploratory data analysis, designing analytics solutions, data visualisation and dashboarding, and workflow automation.

Key learning points from the Johnson & Johnson analytics journey include:

- The CFO needs to be a champion to ensure all key players, including the controller function, IT and business units, are aligned to deliver the mission. Business unit customers also need to be advocates.
- Operationalise analytics so that insights lead to direct impact on revenue and cost. Also integrate analytics within processes and systems.
- Adopt an agile and "fail fast" approach to learn quickly from failures and ensure end users are always in the loop and own the outcome.
- Prioritise analytics based on feasibility (data availability and ease of process integration) and impact by identifying the top use cases which can create greatest value quickly. Think about successes in terms of weeks and not months.
- Filter hype from reality. Data need not be "big" to be relevant and useful; technology is not usually a constraint if you focus on quality of data, process, people, and regulatory issues.

What does this all mean for the profession?

There is a sense of urgency around the change needed in accountancy education to incorporate data science and analytics competence and skills for both accountants in business and accountants working in firms.

The profession needs to further develop both the foundational areas of knowledge and competency in initial professional education and development, and the learning opportunities provided to mid-career accountants.

In terms of the profession's future education agenda, key strategic questions to address include:

- How much of a focus on data science and analytics is appropriate for initial professional accountancy education and development?
- What are the key learning outcomes needed for professional accountants to remain relevant to the needs of their employers?

The finance and accounting team will likely be the source of competency and opportunity for an organisation to leverage its data. It is therefore important to have strong relationships and mutual understanding between professional accountancy organisations with academia and other education and training providers to ensure:

- Alignment between what is taught in university education and what finance and accounting professionals do.
- Relevant continuing professional development for mid-career accountants, with training that is applicable to those working in both large and small organisations.

Professional accountancy organisations also need to do a better job at "telling the story" of the profession to millennials, Gen Z, and Gen Y, and articulating the opportunities provided by new career pathways. ●

★ **Mr. Stathis Gould is the Deputy Director, Professional Accountants in Business, IFAC.**

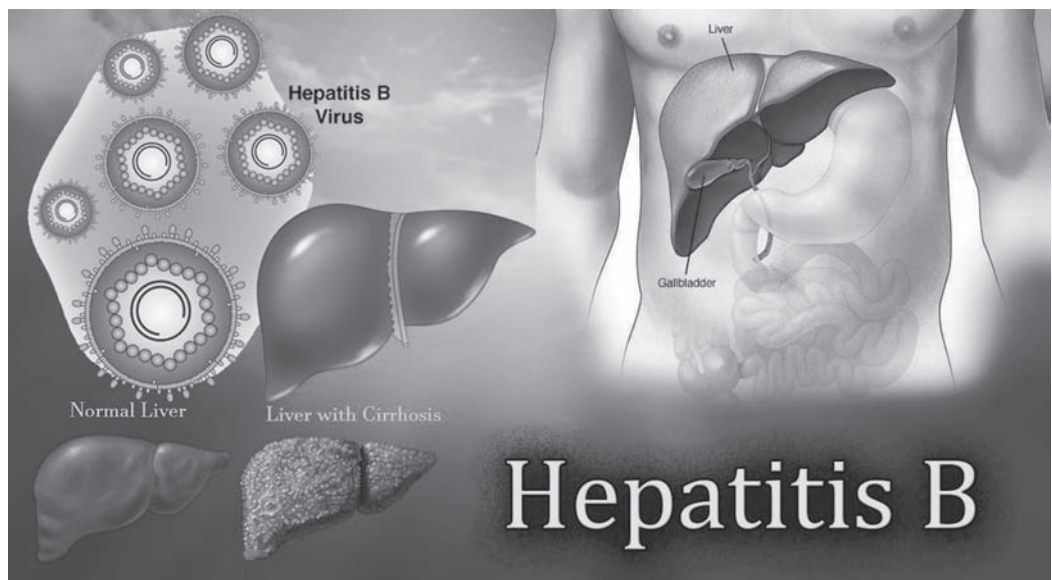
Hepatitis B

What Is Hepatitis B?

Hepatitis B is an infection of your liver. It can cause scarring of the organ, liver failure, and cancer. It can be fatal if it isn't treated.

It's spread when people come in contact with the blood, open sores, or body fluids of someone who has the Hepatitis B virus.

It's serious, but if you get the disease as an adult, it shouldn't last a long time. Your body fights it off within a few months, and you're immune for the rest of your life. That means you can't get it again. But if you get it at birth, it's unlikely to go away.



What Are the Symptoms of Hepatitis B?

When you're first infected, the warning signs include:

- Jaundice (Your skin or the whites of the eyes turn yellow, and your pee turns brown or orange);
- Light-colored poop;
- Fever;
- Fatigue that persists for weeks or months;
- Stomach trouble like loss of appetite, nausea and vomiting; and
- Belly pain.

Symptoms may not show up until 1 to 6 months after you catch the virus. You might not feel anything. About a third of the people who have this disease don't. They only find out through a blood test.

What Causes Hepatitis B?

It's caused by the Hepatitis B virus.

How Do You Get Hepatitis B?

The most common ways to get Hepatitis B include:

- **Sex.** You can get it if you have unprotected sex with someone who has it and your partner's blood, saliva, semen, or vaginal secretions enter your body.
- **Sharing needles.** The virus spreads easily via needles and syringes contaminated with infected blood.
- **Accidental needle sticks.** Health care workers and anyone else who comes in contact with human blood can get it this way.
- **Mother to child.** Pregnant women with Hepatitis B can

pass it to their babies during childbirth. But there's a vaccine to prevent newborns from becoming infected.

How Common is Hepatitis B?

The number of people who get this disease is down, the CDC says. Rates have dropped from an average of 200,000 per year in the 1980s to around 20,000 in 2016. People between the ages of 20 and 49 are most likely to get it.

Only 5% to 10% of adults and children older than 5 who have Hepatitis B end up with a chronic infection. The numbers aren't so good for those younger than 5 (25% to 50%) and even higher for infants infected at birth (90%).

As many as 1.4 million people in the U.S. are carriers of the virus.

How Is Hepatitis B Diagnosed?

If your doctor thinks you have it, he'll give you a complete physical exam. He'll test your blood to see if your liver is inflamed. If you have Hepatitis B symptoms and high levels of liver enzymes, you'll be tested for:

- **Hepatitis B surface antigen and antibody (HBsAg)** — Antigens are proteins on the Hepatitis B virus. Antibodies are proteins made by your immune cells. They show up in your blood between 1 and 10 weeks after exposure. If you recover, they go away after 4 to 6 months. If they're still there after 6 months, your condition is chronic.
- **Hepatitis B surface antibody (anti-HBs)** — These show up after HBsAg disappears. They're what make you

immune to Hepatitis B for the rest of your life.

If your disease becomes chronic, your doctor might take a tissue sample from your liver, called a biopsy. This will tell him how severe your case is.

How Is Hepatitis B Treated?

If you think you've been exposed to the virus, get to a doctor as soon as possible. The earlier you get treatment, the better. He'll give you a vaccine and a shot of Hepatitis B immune globulin. This protein boosts your immune system and helps it fight off the infection.

If you do get sick, your doctor may put you on bed rest to help you get better faster.

You'll have to give up things that can hurt your liver, like alcohol and acetaminophen. Check with your doctor before taking any other drugs, herbal treatments, or supplements. Some of them can harm this organ, too. Also, eat a healthy diet.

If the infection goes away, the doctor will tell you you're an inactive carrier. That means there's no more virus in your body, but antibody tests will show that you had Hepatitis B in the past.

If the infection is active for longer than 6 months, he'll tell you that you have chronic active Hepatitis B. He may prescribe some of these medications to treat it:

- **Entecavir (Baraclude)**. This is the newest drug for Hepatitis B. You can take it as a liquid or tablet.
- **Tenofovir (Viread)**. This drug comes as a powder or tablet. If you take it, your doctor will check often to make sure it doesn't hurt your kidneys.
- **Lamivudine (3tc, Epivir A/F, Epivir HBV, Heptovir)**. It comes as a liquid or tablet you take once a day. Most people don't have a problem with it. But if you take it for a long time, the virus might stop responding to the drug.
- **Adefovir dipivoxil (Hepsera)**. This drug, which you take as a tablet, works well for people who don't respond to lamivudine. High doses can cause kidney problems.
- **Interferon alfa (Intron A, Roferon A, Sylatron)**. This medicine boosts your immune system. You take it as a shot for at least 6 months. It doesn't cure the disease. It treats liver inflammation. Long-acting interferon, peginterferon alfa2a (Pegasys, Pegasys Proclick) can also help. This drug can make you feel bad all over or depressed, and it can zap your appetite. It also lowers your white blood cell count, which makes it harder to fight off infection.

What Are the Complications of Hepatitis B?

Chronic Hepatitis B can lead to:

- Cirrhosis or scarring of the liver;
- Liver cancer;
- Liver failure;
- Kidney disease; or
- Blood vessel problems.

Hepatitis B and Pregnancy

If you're pregnant, you might pass the virus to your baby at birth. It's less likely to happen during your pregnancy.

If your baby gets the virus and isn't treated, he could have long-term liver problems. All newborns with infected mothers should get Hepatitis B immune globulin and the vaccine for

Hepatitis at birth and during their first year of life.

How Do You Prevent Hepatitis B from Spreading?

To help keep a Hepatitis B infection from spreading:

- Get vaccinated (if you haven't already been infected).
- Use condoms every time you have sex.
- Wear gloves when you clean up after others, especially if you have to touch bandages, tampons, and linens.
- Cover all open cuts or wounds.
- Don't share razors, toothbrushes, nail care tools, or pierced earrings with anyone.
- Don't share chewing gum, and don't pre-chew food for a baby.
- Make certain that any needles for drugs, ear piercing, or tattoos — or tools for manicures and pedicures — are properly sterilised.
- Clean up blood with one part household bleach and 10 parts water.

Can I Get It from Blood Transfusions?

Donated blood is tested for the virus, so your chances of getting the disease from a transfusion are low. Any infected blood is discarded.

Who Should Get the Hepatitis B Vaccine?

All newborn babies should get vaccinated. You should also get the shot if you:

- Come in contact with infected blood or body fluids of friends or family members.
- Use needles to take recreational drugs.
- Have sex with more than one person.
- Are a health care worker.
- Work in a day care center, school, or jail.

Is Hepatitis B Curable?

There is no cure for Hepatitis B. But again, it often goes away in a few months, and it sometimes disappears in people who have a chronic case of the disease.

What's the Prognosis for Hepatitis B?

Your doctor will know you've recovered when you no longer have symptoms and blood tests show:

- Your liver is working normally.
- You have Hepatitis B surface antibody.

But some people don't get rid of the infection. If you have it for more than 6 months, you're what's called a carrier, even if you don't have symptoms. This means you can give the disease to someone else through:

- Unprotected sex;
- Contact with your blood or an open sore; or
- Sharing needles or syringes.

Doctors don't know why, but the disease does go away in a small number of carriers. For others, it becomes what's known as chronic. That means you have an ongoing liver infection. It can lead to cirrhosis or hardening of the organ. It scars over and stops working. Some people also get liver cancer. ●

★ *Culled from www.health.com*

Bank with Eaze!



QUICK CODES

REGISTER

Dial *966#

OPEN ACCOUNT WITH ZERO BALANCE

Dial *966*0#

CHECK BALANCE

Dial *966*00#

TRANSFER FUNDS

Dial *966*Amount*AccountNo.#

BLOCK ACCOUNT

Dial *966*911#

BUY AIRTIME FOR OTHERS

Dial *966*Amount*MobileNo.#

BUY AIRTIME FOR SELF

Dial *966*Amount#

PERFORM USSD ON POS

Dial *966*000#

PIN/PASSWORD RESET

Dial *966*60#

BVN UPDATE

Dial *966*BVN#

*966#

EazyBanking

Making Life Simple!



Bank the Eazy way with ***966#**
EazyBanking



For enquiries and feedback, kindly contact
ZenithDirect, our 24hr interactive Contact Centre:

+234 1 278 7000, 0700ZENITHBANK
zenithdirect@zenithbank.com

www.zenithbank.com

A professional woman with long dark hair, wearing a white blazer, smiling warmly. The background is a dark teal color with a vertical white line.

sage

Business Cloud

RISE TO THE BUSINESS CHALLENGE

Empower your practice and build lasting client partnerships with **Sage Business Cloud** accounting solutions. Dedicated online software for accounting professionals who need to rise to their business challenge.

Contact us now to find out more: +234 1 460 9900 | marketingWa@sage.com