

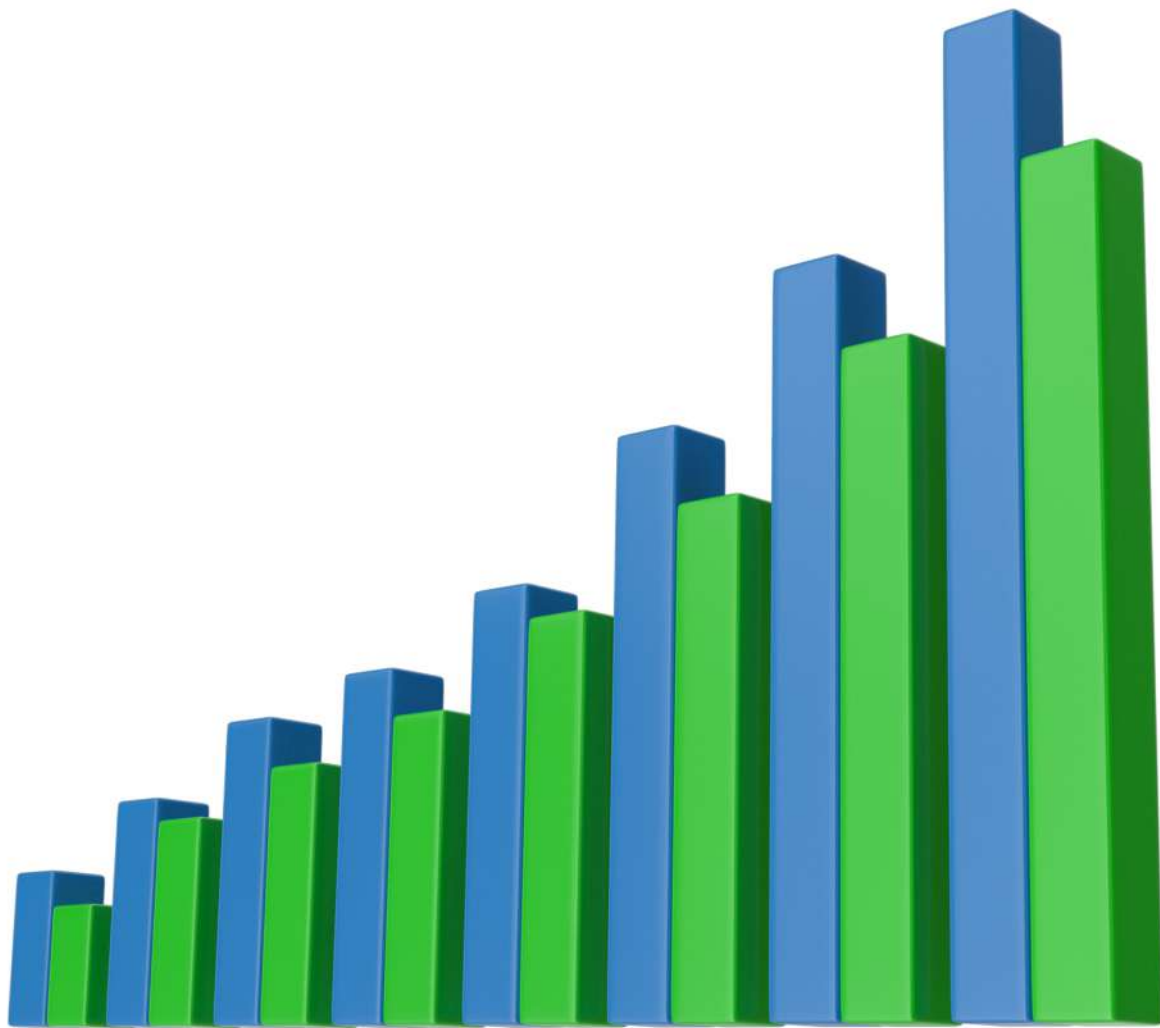
THE NIGERIAN

January - March 2022, Vol. 53, No. 1

# Accountant

ICAN

JOURNAL OF THE INSTITUTE OF CHARTERED ACCOUNTANTS OF NIGERIA



## Corporate Restructuring & Risk Management in Post COVID-19 era.



ISSN: 0048-0371



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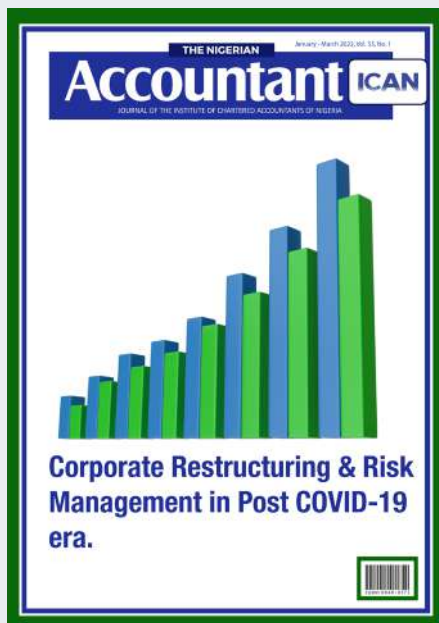
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# FROM THE REGISTRAR



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

I am glad to invite the growing readership of our journal, *The Nigerian Accountant*, to another insightful edition. It is axiomatic that each edition is refreshingly different, topical and addresses germane subjects that enhance the intellectual capacity of our readers.

This first edition in the year 2022 has further confirmed that we are poised to sustain the production of a high quality journal. *The Nigerian Accountant* continues to fill the knowledge gap of our members and the general public. The periodical not only meets the technical needs of members and the public but it represents a rich source of information on a wide array of subjects. These have made the journal valuable to different audiences including public and private sectors practitioners, policy makers, academics, diplomats, standard setters, executives and governments' functionaries.

Let me express the Institute's unreserved appreciation to the Editorial Board, ably chaired by Mr Tajudeen Olayinka, FCA. The Board has upheld an enviable and well-established, over five decades tradition of producing an informative and illuminative magazine – *The Nigerian Accountant*. As readers explore the content of this edition, it would become obvious that each edition is progressively unique and an improvement on the previous ones. We have clearly brought to bear the enduring legacy of ICAN, which is to espouse ***Accuracy and Integrity*** in whatever we do.

In line with our public interest and capacity building mandates, the Institute's stakeholders can be assured

of innovative, enlightening and impactful contributions to human capital development and national growth. This magazine is one of our numerous initiatives aimed at achieving these mandates.

The year 2022 was ushered in with high expectations from citizens and residents of the country. These expectations are not unfounded as citizens and the business community depend on governments' and public sector resource managers to fulfill their parts of the social contract. Governments equally are battling a number of challenges including the uphill task of restoring the economy after the coronavirus (COVID-19) pandemic; funding of the N6.4 trillion budget deficit; heightened security challenges; bridging the infrastructure gap; providing gainful employment for the teeming youth population, among others.

ICAN continued, in this quarter, to proactively engage various economic stakeholders. This is in a bid to render our professional expertise and proffer feasible recommendations to solving the numerous challenges facing the country. The Institute, under the leadership of the 57th President, Mrs Comfort Olu. Eytayo, mni, FCA, remains a leading voice on social and economic issues in the polity. We developed and advocated workable solutions to the fiscal and financial challenges impeding growth and development in the country.

From its rich contents, you would enjoy well-researched articles on accounting, finance and other allied subjects. Equally, we have provided you with titbits on the activities and events at the Institute during the quarter as well as health topics. Our goal is to constantly ensure that we provide information that meets the professional needs of members and the reading public. It is also our responsibility to guarantee that members and the public in general, are exposed to strategies for living a balanced and healthy professional life.

Once again, thank you for joining us in relishing the contents of this edition of *The Nigerian Accountant*.



Readers are welcome to the first quarter edition of The Nigerian Accountant. The editorial team has painstakingly packaged another irresistible edition loaded with highly interesting articles and write-ups for your reading delight.

Though, the covid-19 pandemic seems to have subsided but its effects on businesses and organizations couldn't be waved aside. Many organizations are badly affected, they are still struggling for survival while some have completely gone underground.

In our lead article entitled Corporate Restructuring and Risk Management in post Covid-19 Era the author explained what constitutes business risk. He defined business risk as the exposure an organization has to consider that will lower its profits or lead it to fail.

The full effects of the covid-19 pandemic which has triggered a crisis that is having a major impact on economic activity around the globe and producing devastating consequences on the economy and its players. He therefore posited that as result of this crisis, many businesses will need to restructure, both operationally and financially.

In our second article entitled Corruption and the Environment of Accounting and Auditing in Africa, the author discussed how the scourge of corruption has in the last couple of decades gained prominence in public discourse due to its pervasive presence in the society and in diverse economies and cultures world over.

According to the author, this can be attributed to factors such as lack of proper governance and ethical challenges inherent in some organizations and governments establishments. He



however dismissed the general assumption that there is a connection between accounting practice and the level of corruption. He explained that reverse may be the case going by the number of financial scandals at national and international levels plaguing all professions including accounting.

Artificial Intelligence (AI) and automation of machines as a tool of doing business is fast gaining popularity. It is an act of using machines to perform human functions and the machines do it even faster and save cost. Our article on Artificial Intelligence lend credence to this assertion. The author discussed the nitty-gritty of what AI is all about and how it works.

In this edition, you will also read other articles such as Digital Trust: Prospects and Challenges; How to Turbo-boost Your Up-skilling With Active Learning; Meeting Customers in a Cookieless World; Seed of Greatness: Becoming Outstanding in Life and Career; Building Nigeria's Economy for Resilience and Sustainability Beyond Oil; and much more.

On our health page, we publish the eight best diets for 2022 according to experts. You will also read our other regular columns like news and events. Your comments on the news items and articles published in this edition are welcome. Please, write to: [editor@ican.org.ng](mailto:editor@ican.org.ng) or [aoo wolabi@ican.org.ng](mailto:aoo wolabi@ican.org.ng)

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## Corruption And The Environment of Accounting and Auditing in Africa

- Akintola Owolabi

**T**he scourge of corruption has in the last couple of decades, gained prominence in public discourse due to its seemingly pervasive presence in society and in diverse economies and cultures. This can be attributed to factors such as lack of proper governance and ethical challenges inherent in some corporations and governments.

Corruption is a problem that transcends race and geographical boundaries. Therefore, the diversity of research on the phenomenon is understandable with diverse views from different fields such as political science, sociology, ethics, accounting, and general management.

The questions that have been asked and somewhat answered from these different perspectives include: What is corruption? What causes corruption? What is its impact and how can the menace be cured?

Corruption involves the use of public property for private gains. Like a cancerworm, it has eaten deep into the fabric of various societies in Africa. There is no doubt that corruption reduces moral values, undermines corporate social responsibility, creates and nurtures massive socio-political and economic dislocation with its consequential failure of democratic governance.

While there is no single accepted definition of corruption, it has many forms with serious implications on "the economy, development, politics, society, institu-

tions and welfare of citizens in the nations" wherever it exists. The severity and persistence of bureaucratic corruption have continued to engage the attention of governments at national, international, and inter-governmental levels.

Various developmental agencies and institutions such as the World Bank and the International Monetary Fund, and non-governmental organisations (NGOs) like Transparency International (TI), have expressed concern on the subject of corruption by initiating and funding research focusing on the extent, causes, consequences, and cures of corruption.

Scholars have also discussed the subject of corruption with a view to identifying its forms, impact, and cures. However, looking at it from accounting and auditing perspectives may form the basis for proffering adequate solutions.

The general assumption is that there is an inverse connection between accounting practice and the level of corruption. However, the reverse may be the case going by the number of financial scandals at national and international levels, which alludes to the fact that corruption also plagues the accounting profession.

The financial scandals border on corporate governance challenges and the quality of financial reporting and auditing – all products of a country's standard of accounting and auditing practice. Examples of corporate scandals in the developed world were found in organisations

such as Enron, WorldCom, Adelphia Communication and others. Accounting was found to be at the forefront of the perpetuation of corruption in these organisations.

There is also the case of Nigeria, a developing country, which is being affected by fraudulent auditing and questionable corporate governance such as the cases reported for corporate organisations like Unilever PLC, Unipetrol PLC, and Cadbury PLC.

The comparison of the measures of accounting and auditing of different African countries using the World Bank's Reports on the Observance of Standards and Codes (ROSC) and that of Transparency International (TI) Corruption Perception Index (CPI) for 13 African countries show that there is a positive link between accounting practice and corruption.

The countries whose accounting and auditing environment were compared with their level of corruption are Botswana, Egypt, Ethiopia, Ghana, Kenya, Malawi, Mauritius, Morocco, Nigeria, South Africa, Tanzania, Tunisia, and Uganda.

In terms of the level of corruption among these 13 countries, Botswana was found to have the lowest level of corruption with Nigeria having the highest level among the countries investigated using Transparency International's CPI Index.

However, in terms of the observance of standards and codes of accounting using World Bank's ROSC, Tunisia is ranked high with a score of 64% as against the

In addition, a study on the linkage between the World Bank ROSC and Transparency International CPI's ranking for the thirteen (13) countries within 2001-2007 revealed that there is a positive relationship between the quality of the accounting and auditing environment and the level of corruption discovered among the countries. It was also observed that the world's poorest nations are the most corrupt since corruption seems to thrive in poor environments.

Therefore, the attainment of a quality accounting and auditing environment will go a long way in curtailing corruption. While it is by no means an easy task to ensure compliance to the dictates of ethical accounting and auditing, however, determination and consistency in the quest to curtail corruption will go a long way.

There is no doubt that the presence of strong institutions in Africa will enhance the quality of the accounting and auditing environment which will go a long way in reducing corruption, and promoting the attainment of economic prosperity in Africa.

**Dr Akintola Owolabi teaches financial modeling, corporate financial accounting and taxation at Lagos Business School**



## AI is Not Magic – It's No More Than Cost Saving

- Avi Goldfarb



Artificial intelligence (AI) and automation make the seemingly impossible possible. They magically bring machines to life – driving cars, trading stocks, teaching children or providing healthcare. In *Prediction Machines*, Avi Goldfarb and two fellow economists debunk this magical myth and recast the rise of AI as nothing more than a drop in the cost of prediction.

With this one masterful stroke their thinking transforms the debate, lifting the curtain on AI-as-magic and revealing how applying basic economic tools can transform how CEOs, CFOs and FDs view the AI revolution.

By framing AI as merely cheap prediction, they reframe the debate. As this extract from *Prediction Machines* demonstrates, at the heart of this process is a requirement to unpack and understand the process of making decisions.

We typically associate decision-making with big decisions. Should I buy this house? Should I attend this school? Should I marry this person? No doubt, these life-changing decisions, while rare, are important. But we also make small decisions all the time. Should I keep sitting in this chair? Should I keep walking down this street? Should I keep paying this monthly bill?

We handle many of our smaller decisions on autopilot, perhaps by accepting the default, choosing to focus all our attention on bigger decisions. However, deciding not to decide is still a decision.

Decision-making is at the core of most occupations. Schoolteachers decide how to educate their students, who have different personalities and learning styles.

Managers decide who to recruit for their team and who to promote. Truck drivers decide how to respond to route closures and traffic accidents. Police officers decide how to handle suspicious individuals and potentially dangerous situations. Doctors decide what medicine to prescribe and when to administer tests. Decisions like these usually occur under conditions of uncertainty.

The teacher doesn't know for sure whether a particular child will learn better from one teaching approach or another. The manager doesn't know for sure whether a job applicant will perform well or not. The doctor doesn't know for sure whether it is necessary to administer a costly medical exam. Each of them must predict the likely outcome.

But a prediction is not a decision. Making a decision requires applying judgement to a prediction and then acting. Before recent advances in machine intelligence, this distinction was of academic interest because humans always performed prediction and judgement together. Now, advances in machine prediction mean we have to examine the anatomy of a decision.

### ANATOMY OF A DECISION

Prediction machines will have their most

immediate impact at the decision level. But decisions have six other key elements. When someone (or something) makes a decision, they take input data from the world that enables a prediction. That prediction is possible because training occurred about relationships between different types of data and which data is most closely associated with a situation.

Combining the prediction with judgement on what matters, the decision maker can choose an action. The action leads to an outcome, which has an associated reward or payoff. The outcome is a consequence of the decision. It is needed to provide a complete picture. The outcome may also provide feedback to help improve the next prediction. By breaking up a decision into elements, we can think clearly about which parts of human activities will diminish in value and which will increase as a result of enhanced machine prediction. Most clearly, for prediction itself, a prediction machine is generally a better substitute for human prediction.

As machine prediction increasingly replaces forecasts that humans make, the value of human prediction will decline. But a key point is that, while prediction is a key component of any decision, it is not the only component.

The other elements of a decision – judgement, data, and action – remain, for now, firmly in the realm of humans. They are complements to prediction, meaning they increase in value rela-

tively. For example, we may be more willing to exert effort by applying judgement to decisions where we previously had opted not to decide (for example, accepted the default) because prediction machines now offer better, faster and cheaper predictions. In that case, the demand for human judgement will increase.

### LOSING THE KNOWLEDGE

The Knowledge is a test London cabbies take to drive the city's celebrated black taxis. The test involves knowing the location of thousands of points and streets around the city and predicting the shortest or fastest route between two points at any time of day. The amount of information [required to be memorised] is staggering.

To pass the test, potential cabbies need a near-perfect score. Passing the test takes, on average, three years, including time spent poring over maps but also riding around the city on mopeds memorising and visualising. Once they have achieved this, honoured green badge recipients are a font of knowledge.

A decade ago, London cab drivers' knowledge was a competitive advantage. No one could provide the same degree of service. People who would otherwise have walked would hop in a cab because the cab drivers knew the way. But today, a simple mobile GPS or satellite navigation system means all drivers have access to data and predictions that were once the cabbies' superpower.

Today, these superpowers are available for free on most mobile phones. People don't get lost and they know the fastest route. Now the phone is even better because it is updated in real time with

traffic information. Cabbies who invested three years studying the Knowledge didn't know they would be competing with prediction machines. They took time to upload maps into their memory, test routes, and fill in the blanks with common sense.

Now, navigation apps have access to the same map data and are able, through a combination of algorithms and predictive training, to find the best route whenever requested, using real-time data on traffic that the taxi driver cannot hope to know.



But the fate of cabbies rested not just on the ability for navigation apps to predict the Knowledge, but also on other elements to take the best path from A to B. First, the cabbies could control a motor vehicle.

Second, they had sensors affixed to them – their eyes and ears most importantly – that fed contextual data to their brains to ensure they put the Knowledge to good use. But so did other people. No London cabbie became worse at their job because of navigation apps. Instead, millions of other non-cabbies became better.

The cabbies' Knowledge was no longer a scarce commodity, opening up cab-

bies to competition from ride-sharing platforms, such as Uber. Other drivers with the Knowledge and predictions of the fastest routes on their phones meant they could provide an equivalent service. When high-quality machine prediction became cheap, human prediction declined in value, so the cabbies were worse off.

The number of rides in London's black cabs fell. Others provided the same service. These others also had driving skills and human sensors, complementary assets that went up in value as prediction became cheap. One day self-driving cars might end up substituting for those skills and senses. The point is that understanding the impact of machine prediction requires an understanding of the various aspects of decisions.

### SHOULD YOU TAKE AN UMBRELLA?

Until now, we've been a little imprecise about what judgement is. To explain it, we use decision trees. This

device is especially useful for decisions under uncertainty, when you are not sure what will happen if you make a particular choice. Let's consider a familiar choice you might face. Should you carry an umbrella on a walk?

You might think that an umbrella is a thing you hold over your head to stay dry, and you'd be right. But an umbrella is also a kind of insurance, in this case, against the possibility of rain. So, the following framework applies to any insurance-like decision to reduce risk.

Clearly, if you knew it was not going to rain, you would leave the umbrella at home and if you knew it would rain, you would take it with you. At the root of the tree are two branches representing

choices you could make: leave umbrella or take umbrella.

Extending from these are branches representing what you are uncertain about: rain versus shine. Without a good weather forecast, you don't know. You might know that, at this time of the year, sun is three times more likely than rain. This would give you a three-quarters chance of sun and a one-quarter chance of rain. This is your prediction.

Finally, at the tips of the branches are consequences. If you don't take an umbrella and it rains, you get wet, and so on. So, what decision should you make? This is where judgement comes in. Judgement is the process of determining the reward to a particular action in a particular environment.

It is about working out the objective you're actually pursuing. Judgement involves determining what we call the "reward function", the relative rewards and penalties associated with particular actions that produce particular outcomes. Wet or dry? Burdened by carrying an umbrella or unburdened? Let's assume that you prefer being dry without an umbrella (10 out of 10) more than being dry, but carrying an umbrella (eight out of 10) more than being wet (zero).

This gives you enough to act. With the prediction of rain a quarter of the time and the judgement of the payoffs to being wet or carrying an umbrella, you can work out your average payoff from taking versus leaving the umbrella. Based on this, you are better off taking the umbrella (an average payoff of eight) than leaving it (an average payoff of 7.5).

If you really hate toting an umbrella (a six out of 10), your judgement about preferences can also be accommodated. In this case, the average payoff from leaving an umbrella at home is unchanged (at 7.5), while the payoff from taking one is now 6.

Such umbrella haters will leave the umbrella at home. This example is trivial. Of course people who hate umbrellas more than getting wet will leave them [at] home. But the decision tree is a useful tool for figuring out payoffs for non-trivial decisions, too, and that is at the heart of judgement.

Here, the action is taking the umbrella, the prediction is rain or shine, the outcome is getting wet, and judgement is anticipating the happiness you will feel (payoff) from being wet or dry, with or without an umbrella. As prediction becomes better, faster, and cheaper,

we'll use more of it to make more decisions, so we'll also need more human judgement and thus the value of human judgement will go up.

**Avi Goldfarb, chair, AI and healthcare and professor of marketing, Rotman School of Management, University of Toronto.**







# CORPORATE RESTRUCTURING AND RISK MANAGEMENT IN POST COVID-19 ERA

## 1.0. INTRODUCTION

We are witnessing the full effects of the pandemic which has triggered a crisis that is having a major impact on economic activity around the globe and is still unfolding, producing devastating consequences in the economy and its players. As result of this crisis, many businesses will need to restructure, both operationally and financially (Olivares-Caminal, 2020).

No other event in recent decades has had such a massive impact on the global economy as the Corona virus crisis (Harmann et al, 2020). Before the Covid-19 pandemic, Big Pharma had been easing out of the vaccine business for decades. By 2019, the major vaccine makers supplying America had dwindled to a handful of large companies—Merck, Sanofi, Pfizer, and Johnson & Johnson. Because vaccines are only used once or twice—as opposed to medicines that people take daily—they are not profitable. The scale of vaccination programs also invites class action litigation if something goes awry (Burleigh & Forbes, 2021).

Business risk is the exposure a company or organization has to consider that will lower its profits or lead it to fail. Essentially any circumstances that inhibit a company from meeting its financial goals and business targets qualify as a business risk. (Deshmukh, 2020). Traditionally, business risks emerge from internal or external sources and affect businesses directly or indirectly. Some risks are quantitative (such as financial risks); the rest are qualitative risks (those related to operations, compliance, technology, strategy and reputation).

Risk Management is a process in which risks are identified and controlled proactively. It allows businesses to improve their chances of success by minimizing threats and maximizing opportunities (Athuraliya, 2021). The best way to reduce the negative impact risks may have on your business is to incorporate risk management techniques into your business structure.

Businesses make money because they take risks; however, the risks undertaken by an organization must be proportionate to its complexity and type. Yet, it is misleading to think that we know

and understand all risks around us. To believe that we can manage all of them is an illusion. In the current scenario, the best example is the outbreak of the COVID-19 pandemic (Deshmukh, 2020).

The Covid-19 pandemic halted most corporate operations and locked most of the world's population inside their homes for health and safety purposes. The juggling act of complying with new sanitation standards, government restrictions, supply and demand constraints have exposed firms' capacity to face the new business environment shaped by the health crisis. In this novel environment, mergers, acquisitions and corporate restructurings have become key considerations for companies looking to realign their strategic plans to better compete let alone survive (Kooli & Lockson, 2021).

Corporate Restructuring is an action taken by corporate entity to modify its capital structure or operations significantly. Generally, corporate restructuring happens when a corporate entity is experiencing significant problems and is in financial jeopardy. The process of corporate restructuring is considered very important to eliminate all the finan-

cial crisis and enhance the company's performance. The Management of the concerned corporate entity facing the financial crunch hires a financial and legal expert for advisory and assistance in the negotiation and the transaction. Usually, the concerned entity may look at debt financing, operations reduction, or a divestment of portions of the company to interested investors. Whether it is a multinational corporation or a startup, risks are unavoidable- it is a part of any new or routine endeavor.

## 2.0. Corporate Restructuring Strategies in Post Pandemic Recovery

### 1. Disrupted: Refresh, Rethink, Re-design

For an organization that has witnessed disruption whether due to the pandemic or some other business trend, the impact may be relatively fleeting, and revenue might be starting to recover. In this case, a company may want to refresh its go-to-market model, brand positioning, or other parts of its strategy. By being willing to rethink its business, leadership may find new ways to thrive amid shifts in customer behaviors, supply chain interruptions and changes in capital requirements or availability. Where impacts are lasting, there may be reasons to redesign specific business processes (Deloitte, 2020).

### 2. Disadvantaged: Reset, Rebalance, Reconfigure

Some businesses may find they have been displaced by changes in the operating environment, with their ability to bring products or services to market threatened or interrupted by the pandemic. There may be a need to reset relationships, making big changes in the supply chain, for example, or developing new customer marketing efforts. It might be necessary to rebalance the company's financial and tax condition, strengthen the statement of financial position, or make better use of available capital.

A company may need to reconfigure its workforce, reducing the number of employees or dramatically changing the mix of job titles. Liquidity management, cost savings and margin improvement, restructuring and turnaround asset sales and managed exit as well as crisis management and communication are reasons to redesign specific

business processes (Deloitte, 2020).

### 3. Distressed: Reconnect, Reconstruct, Restore

When a company find itself significantly distressed, in need of a turnaround, it becomes vital to reconnect with shareholders and debt holders, along with other stakeholders such as employees and, certainly, customers. A company in distress due to the pandemic, or because of longer-term trends or missteps, may now have to reconstruct itself, which includes making changes



in capital structure. If successful, these steps should lead directly to a longer-term mandate to restore faith in the company and its purpose, with customers first and foremost, but ultimately with all stakeholders. Some companies may reach a level of strain that requires difficult issues to be addressed urgently, using the tools and proceedings that fit the narrow, textbook definition of restructuring. Even at this point, the focus should remain consistent and should be about finding, preserving, and enhancing the value of the resources and assets of the organization (Deloitte, 2020).

### 3.0. COVID-19: A New Business Risk Category

COVID-19 has emerged as an unusual business risk with nobody imagining the scale and intensity of its impact. It is affecting organizations directly and indirectly, qualitatively and quantitatively. The outfalls of the pandemic, such as lockdowns, remote working and misinformation, have qualitative and quantitative implications on businesses and industries. For instance, the lockdown period in certain coun-

tries resulted in furloughs and lay-offs. The sudden call for remote working led to a large number of employees operating in unsecured environments. In turn, this has led to an unprecedented spike in cyber-attacks. Even as businesses reopen, employees will work in the new normal where social distancing is the norm. This factor will affect their efficiencies and productivity (Deshmukh, 2020) and compel businesses to rework their propositions to suit the new world order – this has provided an impetus towards digital transformation. At the individual level, there is an increased focus on well-being and psychological welfare. The quarantine period has provided opportunities for knowledge management and up skilling. Once COVID-19 is over, many organizations will redefine their vision to suit the new world order. This will entail building teams with new capabilities, conduct themselves with a renewed sense of responsibility and embrace emerging risks in the new environment.

## 4.0. The Nuances of Risk Management

Risk Management is a structured manner in which organizations can protect themselves from downside risks. The discipline of Enterprise Risk Management (ERM) refers to an integrated and joined-up approach of managing risks across an organization and its extended network. It involves identifying hazards, assessing potential implications, developing and implementing responses for mitigation and establishing a risk monitoring process.

### 5.0. Five Ways to Improve Enterprise Risk Management Post-Pandemic

In the light of the COVID-19 pandemic, how corporations approach Enterprise Risk Management requires a re-assessment (Bruce, 2020). The response to the global COVID-19 pandemic is directly shaping how corporations view and manage risk. These unprecedented times warrant a re-appraisal of how companies assess uncertainty. Traditional Enterprise Risk Management (ERM) frameworks suffered from shortfalls before the response to the pandemic. The following five points

highlight common deficiencies in ERM frameworks. The accompanying proposed actions are provided to address them, presenting opportunities to improve ERM approaches.

### 1. Time Horizon

Typical risk identification and assessment focuses on an annual time horizon, aligned with the corporate reporting calendar. This has led to a constrained appraisal of longer-term threats and opportunities and has hindered investment in resilience measures for some organizations.

Prior to the pandemic, this short-term thinking started to change with, for example, investors driving corporations to understand the potential impact of a changing climate to their business models. This emerging practice should become a standard even in the wake of covid-19 in order to ensure corporations focus not just on continuity measures, but on the fundamental sustainability of the business model (Bruce, 2020).

### 2. Reporting

ERM reporting has suffered from producing risk heat maps that provide little insight or value. While, risk reporting may assure the efficacy of control measures, ERM has often failed to provide insight on the relevance of “high impact, low likelihood” exposures such as the COVID-19 pandemic.

Determining the extent of focus that should be spent on “low likelihood” exposures is difficult to achieve, but due consideration of risk exposures that are considered plausible but unlikely, should ultimately improve resilience if an event were to occur. To reduce vulnerability to shocks, organizations should:

- Report on risk trends (growing or decreasing in threat);
- Increase use of scenario analysis;
- Prioritize focus on contingency measures (Bruce, 2020).

### 3. Expert Judgment

There has been a reticence in ERM to rely on expert judgment as a form of risk assessment. The use of models and statistical techniques to measure risk has

all but usurped any form of judgment, with a common view from risk managers that any form of qualitative assessment is redundant, subjective or erroneous.

Expert judgment of risk exposures should complement statistical modeling, particularly where historical loss experience and other data is insufficient to build reliable models. With sustainability as the primary goal of ERM, post-pandemic risk managers should view elicitation of expert judgment as a legitimate assessment of risk (Bruce, 2020).

### 4. Pragmatism

One of the factors that have contributed to ERM's lack of perceived value has been a shortfall in pragmatism. All too often risk frameworks are abundant with risk terminology and over-engineered or inflexible processes, leading to stymied engagement in ERM, with a consequential lack of considered input into the process of risk identification and assessment from a wider range of stakeholders.

Risk guidance, codes, standards, industry bodies and even regulators have not helped this lack of pragmatism, as they encourage practices that read well on paper, but lack commerciality in practice. For example, a risk appetite statement has many beneficial attributes, but rarely in practice has provided value.

Viewing risk management through a commercial lens should help to re-orient ERM as a valuable discipline to provide foresight and insight. A governance structure that has ERM reporting directly to strategy or finance should help in this regard (Bruce, 2020).

### 5. Risk Assessment

The impact of the pandemic is pervasive throughout an entire business' operations. ERM tends to focus more on “bottom-up” approaches — using risk control self-assessments — and less on “top-down” assessment. Building on the themes above, a shift to greater use of scenario analysis as an assessment technique will help corporations with the following:

- Focus on those events that matter;
- Engage expert judgment; Consider risk correlation and inter-dependency;

and

- Help assess organizational resilience (Bruce, 2020).

## 6. CONCLUSION

As the need arises to gain a deeper understanding of the effect of COVID-19 on the future of the organization, the role of Risk Management will remain critical to the success of the organization. Risk Management will be required to ensure appropriate actions are taken to mitigate the impact of disruptions by developing and implementing enhanced risk management practices.

In practice, there has been a shift in the role of ERM, from a complementary service to a strategic business partner. However, there may still be a long way to go in some organizations. Hopefully, ERM will grab the opportunity that COVID-19 created to accelerate this shift (Loon, 2020). For many, ERM has gradually moved to a state that resembles a negative feedback loop — focus on short-term; reliance on bottom-up controls assurance; abundant technical jargon; lack of commerciality; and reporting that is deficient in insight and value.

This has led to difficulty in embedding process and disengagement from the business, resulting in an ongoing decline in quality risk reporting. The measures outlined above should help corporations to place sustainability and value as the primary objectives of ERM.

A pragmatic process that elicits expert judgment, designed with a commercial mindset, and that directly supports finance and strategy will create value through insight and foster engagement. This will help organizations place ERM where it was always intentioned, to reduce uncertainty and volatility (Bruce, 2020). Restructuring activities are grouped into three segments along a continuum. At one end are simpler measures that may be entertained by a company that has been disrupted, as indeed most companies are today due to the pandemic. In the middle are more aggressive steps appropriate for a business that has been more deeply disadvantaged by its current circumstances. At the far end of the spectrum, are measures for a company that's clearly distressed, including those in need of the reorganization tools that fit within any narrow defi-



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## Digital Trust: Prospects and Challenges

- Yele Okeremi



Digital is a means of building communities faster, cheaper, and easier. It still follows the basic rule of human interaction. Trust is the social currency with the highest value.

Apple, Microsoft, Alphabet (former Google), Amazon, and Meta (former Facebook) are five of the most capitalised companies in the world – worth a combined \$1.4 trillion. All five companies deal with and in people data. The almost 8 billion earth inhabitants are their market and that number is projected to hit 9 billion by 2040.

According to WhatIs.com Digital trust is the confidence users have in the ability of people, technology and processes to create a secure digital world. Digital trust is given to companies who have shown their users they can provide safety, privacy, security, reliability, and data ethics with their online programs or devices.

When a person decides to use a company's product, they are confirming their digital trust in the business.

The harvesting, harnessing, and deployment of these data facts has led and continues to head the market capitalization and revenue of the five afore-mentioned companies.

Fortunately for these companies, their market believes their offerings are cheap and they are because users hardly pay physical currencies even though they effectively hand over data that allows these users to be monetised, either

by these companies or their clients. Because of the ubiquitous nature of the smart phone, devices and the Internet of Things (IoT), almost every human activity can be tracked, recorded and used for targeting and retargeting.

According to the Economist, "artificial-intelligence (AI) techniques such as machine learning extract more value from data. Algorithms can predict when a customer is ready to buy, a jet-engine needs servicing or a person is at risk of a disease."

We have moved to a place where data is both king and cash and bearing in mind that whatever has a use can also be abused.

This drills down to the integrity of purpose of companies and organisations gathering and sharing these data and brings us to the projected questions:

Why should I trust other parties with my data?

What will [they] do with it?

Will I be harmed by sharing my life (data)?

Is it a win-win?

A dictionary definition of integrity shows the way to earn the trust needed for the transaction and handshake. It is "the quality of being honest and having strong moral principles."

Is the organisation honest and will it remain honest? Will the data gathered convince the organisation to loosen its moral standards?

While many questions and obstacles seem to have a simple answer from an engineering perspective that "actions are cause and effect". The reality is not as simple as it sounds when money metrics come into play.

### What must organizations therefore do to ensure they maintain digital trust?

1. There must be an assigned [trusted] gatekeeper, who is responsible for this data.
2. There also must be appropriate processes and technologies put in place to ensure the gatekeeper does his job right and effectively.
3. There should be timely drills to ensure continuous integrity of data in line with current realities. No change, however intangible can be disregarded because a combination of minor changes can become major. This may entail a rejigging of the entire process or just an iteration of the process.

### Data flow

Data emanates from the originator who protects the information that was asked and given? The originator is an invested party and has an important task of ensuring that his/her data is not compromised. They should demand an im-

mediate destruction of that document because in the hands of an unethical person, this becomes a tool to hurt.

Data vulnerability has increased with phones, which is resident to all relevant information on their owners. We have seen people lose their phones and subsequently have their bank accounts drained. There is identity theft, but the curators of data must put in place the stringiest of measures—two or three-factor authentication that helps protect the originator of the data.

There will be more uses of biometrics. Can it be done that if your phone or laptop is stolen, to disable the information on it or garble it such that the data on these devices become useless?

Who protects the information that was asked and given? The originator has a task to ensure his/her data is not compromised and should demand an immediate destruction of that document because in the hands of an unethical person, this becomes a tool to injure.

We must have education in place to help people keep the least data on gadgets that can easily get lost.

In between the originator and the recipient is the transmission process and this is a phase where hackers can attack and siphon the data being sent. It could even be the LAN of an organisation, which could have been compromised. Data protection is a constitutional right in Nigeria and integrated by all world-class organisations and institutions.

When this data is now stored, how is it stored? Is it in a manner where anyone can get access? Who has access to people's personal data?

There must be processes and procedures put in place to ensure data is safe and protected every time.

Hacking is real and hackers are always one step ahead of data generators and custodians.

Thus, there must be technologies that ensure that even when data banks have been breached or compromised, these hackers find the data useless?

Data masking or PTID (Programmable



Tactical Information Display) protects the actual data by creating a look-alike but incorrect version of data. The World Bank says, "data protection requires a holistic approach to system design that incorporates a combination of legal, administrative, and technical safeguards." The World Bank in its Privacy and Security guidelines adds, "privacy-enhancing technologies (PETs) and security measures should be built into every aspect of the ID system—that is, privacy assurance must become an organisational norm."

### Legislation and Regulation

Regulations must also be in place that attempt to make people responsible and I think that organisations that curate public data must try as much as possible to operate at a higher level than what they regulators say or require. Their responsibility must be the protection of the data at all costs.

There is the allure that supposedly responsible organisations go rogue on the use of curated data. "Since data is the new oil, we should and must monetise it because the business was set up to make money." That can happen but it must not be allowed to happen.

The deterrent legislation must be abhorrent enough to punish misdemeanors and deter intending offenders.

### Opportunities for Accountants in Ensuring Digital Trust

Several opportunities present themselves to Accountants in various ways in this new digital age, starting from our translation of current practices to the new digital way.

Accountants must equip themselves with the knowledge of technology trends and capabilities to design new Standard Operating Procedures for digital transactions.

Secondly, practitioners must adopt the usual cautious approach to maintain checks and balances in the new digital processes.

The role of the Internal Auditor will need to be redefined in the new order with the full recognition of digital forensic as a field of play.

Furthermore, external auditors will have to be geared to understand the new digital space and be able to interpret the work and processes of their clients accordingly.

Several roles such as Data Protection officers and Information Security Officers that are emerging in organizations become darlings of professional accountants.

Creation of regulations and legislations will require the skill and expertise of professional accountants.

***Dr. Yele Okeremi presented this paper at the 51st Annual Accountants' Conference in Abuja.***



## How to Turbo-boost Your up skilling With Active Learning

### Accelerate learning and professional development with these four steps.

- Jessica Hubbard



As machines and algorithms continue to modify many traditional accounting and finance roles, professionals are under increasing pressure to learn new skills and embrace the concepts of continuous and active learning. In the wake of the global pandemic, which rapidly accelerated digitisation, the pressure to reskill or upskill is palpable across industries and sectors.

According to the World Economic Forum's ***Future of Jobs Report 2020***, 94% of business leaders now expect employees to pick up new skills on the job. Apart from the technical reskilling, the report notes that employers are placing increasing importance on self-management skills with the emphasis on active learning, resilience, and flexibility.

Yet for many professionals and business leaders, the concept of active learning is unclear — not to mention the actual strategies that differentiate active learning from more traditional approaches.

"Active learning is learning by doing, and it's a dynamic approach that combines theory with real-world applications using the likes of articles, case studies, formative assessments, discussions, and debates," said Sanlie Middelberg, FCMA, CGMA, Ph.D., professor of management accounting at North-West University in South Africa. "This approach to learning prepares students and professionals to apply theory to any situation or circumstance and to be flexible and adaptive when under pressure in the workplace."

According to Giancarlo Brotto, global education adviser for SMART Technologies and co-founder of Catalyst, a community for leaders looking to crowdsource solutions to education's biggest challenges, the spirit and core principle of active learning can be encapsulated by asking: How can I get my brain activated?

"This activation element is often what is missing from many of the online courses offered to professionals, which is why you see high attrition rates, with less than 20% of people actually completing self-directed learning courses," he said. For Mathetha Bopape, ACMA, CGMA, strategy associate at Old Mutual Specialised Finance in South Africa, continuous and active learning has been a key priority since joining the organisation.

"Unlearning and relearning new skills has been the order of the day pre-pandemic, and I knew, being a finance professional, that employers would use this time to reimagine how they ran their companies and, for some, even go as far as restructuring," she said. "For instance, I've recently taken an online short course in design thinking, because we are now in a design thinking world in which we're constantly reimaging how to best solve new and complex problems."

Bopape applies the principles of active learning to all her online short courses, an endeavour that she said is supported by her company, which provides the courses and

tracks the progress of employees.

"As it's all online, leaders are able to see that you've shown foresight and taken charge of your own learning," she explained.

At a practical level, active or self-directed learning can be broken down into four key components, namely:

- **Learning:** Absorbing the material from classes, books, videos, seminars, online courses, etc.
- **Application:** Using the new information in a practical way, ideally in the working environment;
- **Feedback:** Gaining feedback through tests, assessments, exams, quizzes, discussions, etc.; and
- **Reflection:** Reviewing what you have learned and assimilating this into your growth and career trajectory.

When approaching the first step, learning, Brotto said that it is important to perceive and clarify what you already know about the topic — and where the gaps lie. This requires self-directed professionals to break down what they are learning into core pieces; for instance, concepts where there is already a basic understanding, and those that are completely new. Professionals should then start with the familiar concepts, gradually adding new layers and working through the content that is completely unfamiliar.

### Focused learning in bite sizes

He emphasised the importance of focused attention while learning, noting that even if you cannot control the delivery of the content, you can control how much time you spend on it.

"Many experts suggest that you do not try and jam in more than six or seven concepts at a time," he said. "On the flip side, I think time is a better variable. A person who spends half an hour or even 20 minutes every day, for five days, will know more than a person who spends the same amount of time studying in one sitting."

As you are learning, Brotto said that it is critical to keep activating your brain by using retrieval practice. "Pause every so often to jot down what you just learned," he said. "See if you can retrieve it."

Although you may think that simultaneously typing notes, underlining, or highlighting words while watching an instructional video or listening to a live instructor is effective, Brotto said the key to transferring new knowledge into long-term memory happens when you regularly pause to create small summaries or draw pictures to illustrate key concepts.

"Having conversations or, even better, engaging in debates around the new concept or topic is also a very effective way of keeping the learning active and making it stick," he said.

For self-directed learners, the next step, application, can involve taking a case study or new concept and applying it to a real-world scenario. This scenario can be in the professional's current workplace, or the learner can use an academic/hypothetical scenario.

"To teach application, I give my students a specific article or video and then ask a question," said Middelberg. "For example, 'Identify the risk management strategy a company followed for its currency risk and comment on it in 200 words.'"

For working professionals like Bopape, the motivation to apply new concepts and theory into the real-world context comes from carefully aligning professional goals to the active learning.

"The motivation comes from within, so how I go about it is to look for skills I

want to acquire for my future roles or upcoming projects and enrol for those," she explained. "That way I know that I can almost immediately apply the knowledge, and I can always refer back to the material to refresh because it's all online."

### Seek feedback along the way

The next step, feedback, can be more difficult to achieve outside of a formal setting or online course. However, Brotto said there are strategies to ensure that you stay active, engaged, and motivated. For instance, create key questions for yourself on a certain topic or section, and then a few days or weeks later, test yourself on these questions without referring to the material.

"If you are taking a formal or directed course, it's very useful to seek out formative assessments during the period of study, instead of just taking one exam at the end," he added. "Getting feedback this way is like receiving coaching from the sidelines, in the moment."

Examples of formative assessments include impromptu quizzes or one-minute papers on a specific subject matter which are then evaluated and assessed.

### Involve peers to embed learning

The fourth and final step, reflection, is often completely overlooked, yet it is critical to solidify and embed the new learnings, noted Middelberg.

"Active learning requires a lot of reflection, and it requires the professional to look back on the process and to assimilate what the learning means for them going forward in their career," she explained. "One of the most effective ways of reflecting is to engage with your colleagues, peers, and mentors around the content, and ideally, to involve them in your learning journey from the outset."

Brotto echoed this sentiment, and pointed out that many learning programmes, platforms, and experiences miss the collaborative aspect of active learning.

"By involving peers and engaging in discussions, the social aspect produces dissonance, which in turn creates lively discourse," he said. "There is also

this element of, oh, wow, I understood it, and I can explain it to someone else, which is a powerful part of making the learning active."

Although active learning is no panacea for the stresses and complexities of learning on the job, finance professionals who can stay engaged by focusing on small chunks every day, apply the learning to their daily context, and proactively involve peers will almost certainly reap the benefits in the long term.

— **Jessica Hubbard is a freelance writer based in South Africa.**



# COMMUNIQUE ISSUED AT THE END OF THE 2022 ICAN ECONOMIC DISCOURSE HELD ON WEDNESDAY, FEBRUARY 23, 2022



## Introduction

The 2022 Economic Discourse of The Institute of Chartered Accountants of Nigeria (ICAN) held on Wednesday, February 23, 2022 with the theme ***Exploiting Nigeria's Growth Opportunities and Mitigating the Challenges in the Digital Era***. The virtual event was declared open by the 57th ICAN President, Mrs Comfort Olu. Eytayo, mni, FCA and had over 1400 participants in attendance.

The Discourse was chaired by a Past President of the Institute, Mr Chidi Onyeukwu Ajaegbu, FCA while the Key-note Speaker was Dr Biodun Adedipe, Chief Consultant, Biodun Adedipe Associates Limited. The Panelists at the event were Mr Anthony Mkpe Ayine, FCA; Mr Ugo Obi-Chukwu, ACA; Mr Kenneth Erikume, FCA; Mr David Brown, FCA; and Captain Umar Aliyu Babangida (Rtd) while the Moderator was Mr Sesan Okunade, FCA.

## Highlights and Recommendation

At the end of the presentations and deliberations, the following resolutions and recommendations were made:

1. The Discourse affirmed the numerous challenges, as well as many opportunities in the Nigerian business environment especially with the Covid-19 pandemic realities. It recognized the macroeconomic concerns; digital revolution and technological disruptions; rising inflation; climate worries; debt management issues; exchange rate

volatility; insecurity concerns; high unemployment and underemployment; global conflict and trade tensions; the revenue and liquidity challenges among others. It was agreed that, to overcome these challenges, there is the need for collaboration between the private and public sectors, and players in these sectors must therefore synergize in order to exploit opportunities in the economy and collectively fashion out the modalities for mitigating the challenges.

2. The Discourse reiterated that Government at all levels must relentlessly pursue the diversification agenda of the economy from crude oil. The non-oil sectors of the economy such as the agricultural value chain, the ICT space, the trade sector, health among others must be given the deserved attention and investment. Managers of the economy should deploy technology relevant technologies to tap the vast financial resources in these sectors. The economic challenges confronting the nation require broad thinking and innovative approach to develop viable solutions.

3. Government should set a target-year to equalize the non-oil revenue and recurrent expenditure. It is the view of the participants that the recurrent expenditure of the Appropriation Act should only be financed from the non-oil revenue while the oil revenue should be devoted solely for capital expenditure and developmental projects. This would not only reduce the seemingly skyrocketing debt of the nation, but would right-size the MDAs

in terms of their contributions to the income-generation base of the country.

4. Participants agreed that there is the need to adopt an Africa-centered export-led growth strategy within the context of the Africa Continental Free Trade Area (AfCFTA). This would ensure increase in the volume of foreign trade and diversification into new markets within the Continent. This growth strategy would critically ensure facilitate rapid industrial development of the SMEs, women in trade and young entrepreneurs. All the stakeholders must ensure intensive awareness creation on the opportunities of AfCFTA within the continent.

5. The intensification of technology adoption in Government activities and transactions with the public was unanimously canvassed. This should be vigorously explored especially in this post COVID-19 era. Governments should leverage technology to improve citizen's welfare and standard of living and while technology should equally be deployed for targeting the intended beneficiaries for all the various interventions. Technology Hubs should be established in all Local Government Areas of the Nation to positively redirect the tech-energies of the teeming youth. The skills and competences of the youths should be properly channelled into emerging areas such as Fintech, Internet of Things, Machine Learning and Artificial Intelligence. Technology must also be deployed in fighting all external and internal security threats in the nation.



**6.** It has become imperative and urgent for deliberate and strategic investment in the agricultural value-chain infrastructure from production stage to the after-sales-services in the value chain. With focused investment in agriculture, participants at the Discourse believed that more job channels would be created and the volatility in the foreign exchange market would be controlled. When the population is gainfully employed, most anti-social behaviors would be drastically reduced, especially among the youths.

**7.** Government should allocate and release more funds for education and health sectors. These sectors hold huge potentials for driving productivity in the economy. A state of emergency should be declared on the out-of-School children in various states of the Federation. Industrial actions in educational institutions should be avoided and all parties should implement their parts of the agreement. Massive investment should go to the health sector as this would reduce the cost of medical tourism.

**8.** The country's refineries should be made functional in order to take advantage of the rise in crude oil prices due to disruption of supplies as a result of global conflict.

**9.** The thrust of the implementation of the 2022 Appropriation Act should focus on developing the Micro, Small, and Medium Enterprises; increased investment in critical infrastructure; strengthening the security architecture; ensuring good governance; enabling a vibrant, educated and healthy populace; reducing poverty, and minimizing regional, economic and social disparities.

**10.** Government must ensure the effective monitoring of the budget execution process on a quarterly basis. The accounting officers of the MDAs should be made accountable to the citizens and other stakeholders with quarterly publications of the implementation progress.

**11.** Few of the economic policies of government that should receive attention include currency liberalization, insurance recapitalization, credit expansion to the private sector, focus on service exports, funding the power sector investment gaps, leading the adoption of crypto currency used cases to power payments and e-commerce.

**12.** The fiscal policies that should be targeted include tax Incentives for multinational corporations, broadening of the Tax Net, policy on brain export, adoption of Blockchain for public utility record keeping, creation of additional export processing zones and elimination of wasteful subsidies.

**13.** Government should ensure the empowerment of the FIRS to deploy robust technology to assess and gather information on taxpayers while making sure that there is strict compliance with the Constitution by MDAs in their remittance of collected funds into the Consolidated Revenue Fund. Any erring officer of the MDAs who fails to comply should be seriously penalized. There should be a debt management clause which allows borrowing to be made for projects with significant national impact on a concessional term.

**Conclusion:**

The Discourse was well applauded by participants ending up with actionable recommendations for rethinking Nigeria's growth opportunities and challenges in a digital environment.

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

# KEY CHANGES TO TAX LAWS INTRODUCED BY 2021 FINANCE ACT



## Finance Act 2021

### A. Capital Gains Tax Act (CGTA)

1. Capital gains from the disposal of stocks and shares in Nigerian companies, for aggregate proceeds amounting to N100 million or more in any period of 12 consecutive months, is liable to CGT at 10% where the proceeds have not been reinvested within the same year of assessment in the acquisition of shares in the same or other Nigerian Companies [Section 30(2) CGTA].

### B. Companies Income Tax Act (CITA)

2. Profits of companies engaged in educational activities now liable to tax due to the removal of educational activities from the exempt provisions of **Section 23(1)(c) of CITA**.

3. The profits of companies from the exports of goods produced in Upstream, Midstream and Downstream Petroleum operations are liable to tax as clarified in **section 23(1)(q) of CITA**.

4. Non-resident companies liable to tax on profits arising from providing digital goods or services to Nigerian customers under the Significant Economic Presence (SEP) Rule may be assessed on fair and reasonable percentage of their turnover in the event that there is no assessable profit, the assessable profit is less than what is to be expected from that type of trade or business, or the assessable profit cannot be ascertained [Section 30 (1)(b)(iia) of CITA].

5. Capital allowance on qualifying capital expenditure incurred in generating tax-exempt income is not deductible from the assessable profits arising from income not exempt from tax under CITA. Capital allowances accruing in respect of QCE employed for both taxable and tax-exempt income shall be pro-rated where the tax-exempt income constitutes more than 20% of the total income of the company [section 31(1A) - (1B) of CITA].

6. Capital allowance on qualifying capital expenditure incurred by small companies are deemed utilised during the periods such companies are tax-exempt [section 31(1C) of CITA].

7. Minimum tax rate is reduced from 0.5% to 0.25% for any two consecutive accounting periods falling on 1 January 2019 to 31 December 2021, as may be elected by the taxpayer [Section 33 of CITA].

8. A company engaged in a trade or business of gas utilisation in downstream operations in Nigeria is entitled to a tax-free period, with respect of that trade or business, only once in its lifetime; additional investment, reorganisation or other forms of corporate restructuring shall not qualify it for further incentive. The company will also not be entitled to similar incentive under any other sections of CITA or other law [Section 39(1)(a) of CITA].

9. Any company that claims the re-

duced 0.25% rate under the minimum tax rule in section 33 of CITA but filed its tax returns late is liable to penalty that is equal to the benefits or reduction claimed [Section 55 of CITA].

10. Taxpayers may pay tax due in instalments provided that the final instalment shall be paid on or before the due date of payment [Section 77 of CITA].

11. WHT deducted from payments to a Unit Trust shall be the final tax on such income provided the said deduction is fully remitted to FIRS [Section 78(4) of CITA].

### C. Tertiary Education Trust Fund Act (TETFA)

12. The rate of tertiary education tax has been changed from 2% of assessable profits to 2.5% of assessable profits [Section 1 of TETFA].

### D. National Agency for Science and Engineering Infrastructure (NASENI) Act

13. Companies engaged in the business of banking, mobile telecommunication, ICT, aviation, maritime and oil and gas with turnover of N100 million and above, are liable to pay NASENI Levy at 0.25% of their profits before tax and the tax is to be administered by FIRS [section 20 of NASENI Act].

### E. Nigeria Police Trust Fund (Establishment) Act

**14.** FIRS is vested with the duty to assess, collect, account and enforce the payment of the Nigeria Police Trust Fund Levy. The levy is 0.005% of the net profit of companies operating business in Nigeria as provided under **Section 4 of the Nigeria Police Trust Fund (Establishment) Act**.

#### **F. Value Added Tax Act (VATA)**

**15.** Non-Resident Suppliers of taxable goods or services to Nigeria, or any other person appointed by the Service to collect tax under the VAT Act have statutory obligation to collect the tax and remit same to the Service **[section 10 of VATA]**.

**16.** Companies engaged in Upstream Petroleum operations will continue to have obligation to withhold VAT, even when they have not commenced commercial operations or have not reached N25 million turnover **[Section 15 of VATA]**.

#### **G. Federal Inland Revenue Service (Establishment) Act (FIRSEA)**

**17.** Any person who fails to grant FIRS access to its information processing systems to deploy its automated tax administration technology after a 30 days' notice, or such extension granted by the Service, is liable to a penalty of N25,000 for each day it continues to fail to grant the access **[Section 25 (4B) of FIRSEA]**.

**18.** Any bank that fails to prepare and submit quarterly returns of new accounts or any information requested by the relevant tax authority, or submit incorrect returns or information, under **section 28 of FIRSEA or sections 47 and 49 of PITA**, is liable to a penalty of N1m for each quarterly return or information not provided or incorrect returns or information provided.

portion of tax revenue to any person or into any account, other than the relevant accounts designated by the constitution or relevant laws of the National Assembly **[Section 68(3) of FIRSEA]**.

**21.** Other Agencies of the Federal Government are under statutory obligation to report cases requiring tax investigation, enforcement or compliance, encountered in the course of performing their function, to the Service for necessary action; they are forbidden from carrying out tax monitoring, audit or investigation **[Section 68(5) of FIRSEA]**.



**19.** Any person employed in the Service or otherwise that has access to taxpayer information is under a strict legal obligation to keep such information confidential. Leakages of taxpayer information by such person is liable to fine, imprisonment or both fine and imprisonment **[Section 50 of FIRSEA]**.

**20.** It is an offence, punishable by a fine of N10m, imprisonment or both, for any agency of the Federal Government (other than FIRS) or any of their staff or consultant, to demand for books or returns for the purposes of tax, or carry out the function of assessment, collection or enforcement of tax, or pay any



# Seed of Greatness: Becoming Outstanding in life and Career

- Prof. Adebayo Paul Adejola



**Preamble:** A seed is a small object produced by a plant, from which a new plant may grow. It begins small, but ends great. It holds the secret of life; the life of the fruit is in the seed.

If an egg is broken from the outside, life is extinguished; but if it is broken from the inside, life begins. Great things always begin from our inside.

Every individual has potentials of greatness deposited inside of them in the form of talent...but talent is not sufficient to make a professional outstanding in life and career.

## There is yet another dimension:

More than 50% of all CEOs of Fortune 500 companies had C or C- average in College. 65% of all US Senators came from the bottom half of their school classes and 75% of US Presidents were in the Lower Half Club in school while more than 50% of millionaire entrepreneurs never finished College.

What does it take to make it in our world? The High-Jump Principle states that winning the high-jump event requires just one person who can jump seven feet, not seven people who can jump one foot.

- So where are the champions?
- What went wrong with their acts?
- What lessons are there to learn?

- How do we sustain and nurture talent, so that at the end we will not be tragic footnotes on the pages of history like the ones above?

In this paper, we shall explore the seeds of greatness that nestle in every breast and seek to identify how we can transform our future as professionals.

## Seed of Greatness

The seed is a replica of the original, a blueprint and archetype of the original. It captures every quality in the model, every strand in the standard and every detail in the master copy.

The seed is the guarantee of the future; where there is no seed, there is no future. It holds the promise of a harvest. People who eat the seed, have no harvest to show at time of harvest.

In every seed, there is a forest; In every bird, a flock; In every cow, a herd; In every boy, a man; In every man, a nation.

Every great tree was once a mere seed; every great man was once a little boy, and every nation was once in the loins of a man. So what seed do you have on offer today?

The first source of seed for every individual may refer to the divine deposit we all have on the inside in form of talent; but it takes more than talent to transit to real greatness.

Talent can enable people to do extraordinary things, make tremendous contribution to society, and be lifted above their peers.

Yet, talent needs to be sustained and nurtured to transform to true greatness.

## So what is required?

The DCO principle suggests that a person that would succeed needs the desire to succeed, the capacity to perform, and the opportunities to express both the desire and the capacity to perform. Desire is the commitment factor; it combines Determination, Dedication and Devotion to the cause of talent development.

## Some personal attributes are also needed:

- Character - the most critical factor - a distinctive mark impressed or formed on the inside of a person by an outside force.
- Courage - means your convictions are stronger than your fears...
- Passion - makes people take risks, go the extra mile, and do whatever it takes to achieve their goals.
- Preparation - positions a person to take advantage of opportunities arising in his world.
- Perseverance - Is the staying power. It means succeeding because you are

determined to, not destined to, stopping not because you're tired, but because the task is done.

### Some Outstanding Individuals with Challenging Beginning

Consider the following cases of talented individuals:

- He failed in War as a soldier! Failed in business. And had nine failures in the race for political office before he was finally elected President of United States. He endured as being one of the most successful in American history.

His name? Abraham Lincoln.

- Two brothers, Orville and Wilbur Wright who were bicycle repairers dreamt of a bicycle that they would ride across the skies. One experiment after another, they followed their dream. On December 17, 1903 they made history when the first power-driven airplane puttered into the sky.

- This University drop-out, launched his computer laboratory in his father's garage armed with his personal conviction. With a business friend by his side, and after countless abortive trips to his bankers, he eventually sourced enough funds to launch out on his dream.

Today, his company, Microsoft Corporation is a top-of-the-line multi-national and Bill Gates is regarded as one of the world's richest men. The dream of this man has changed the world.

- Franklin Delano Roosevelt was crippled by polio, but he went from the wheel-chair to become the only United States president elected to four terms.

- Douglas MacArthur applied for admission to the military academy at West Point and was rejected twice before fi-

nally being accepted. He lived to become a General and World War II hero.

- George Washington lost more battles than he won during the American Revolution, but he led the nation to victory and became the first president of the United States.

The history of the United States of America was significantly altered by a man who never even reached his fortieth birthday. He had a dream; he had been to the mountain top, and had seen the Promised Land, a new dawn when men would be judged by "the content of their character" and not the "colour of their skin".

Barely twenty-four hours later, the man

ing, the most powerful thing in your life that gets you noticed, what you are created to succeed at, your attention-grabber.

- **Productive Labour:** do not waste your efforts in fruitless pastimes and pursuits.

- **Perseverance:** quitters never win, just as winners never quit.

### COUNTDOWN TO GREATNESS

So here is the Final Countdown-

- Define your purpose in life and career, and focus on it. Purpose is the vision, goal, focus, and secret of constancy in a person's life.

- Scale to the Top of your Knowledge Pyramid. The professional is not just defined by what he knows but also by what he does.

- Develop a keen sense of Judgement. The problems that confront professionals are often complex and unstructured. He needs good judgement to distinguish between causality and correlation.

- Make, Create, Innovate. Never be satisfied with the status quo. Others look at the things that

are, and they wonder 'why'; choose to look at the things that are not, and ask 'why not'. Always see the potential in something new.

- Collaborate and build strong social networks outside your immediate domain – system of trust bonding and personal capital.

- Be mentored and mentor others. You need a Paul (senior who is willing to build into your life), a Barnabas (a peer who can tell you the truth without blink-



was shot and killed while standing on the balcony of a motel in Memphis, but his dream lived on.

- Martin Luther King Jr. was a man with vision who built lasting legacies that outlived him.

### THE 4Ps of SUCCESS

- **Providence:** the best things in life are gifts from God; so we need God!
- **Purpose:** this is your reason for exist-

ing), and a Timothy (junior person you are modelling into the star you dreamed of when you were much younger).

- Never ever arrive in your vocational journey. Approach your career as an unfinished work in progress. Each day learn new things, seek out new challenges, create your own good fortune. Opportunity must meet Preparation.

- Let Perseverance be your goal and motto. Talent provides hope for success, but perseverance guarantees it. Like the Japanese, if you fall down seven times, make sure you get up eight times.

- Complacency is the last hurdle any winner, any team must overcome before attaining potential greatness. Complacency is the success disease: it takes root when you're feeling good about who you are and what you've achieved.

- Past success can be the fiercest enemy to future success.

- Cultivate the habits of highly effective people. Watch your thoughts; they become your words. Watch your words; they become your actions. Watch your actions; they become your habits. Watch your habits; they become your charac-

ter. Watch your character; it becomes your destiny. Watch your destiny; it will become your eternity.

- Thriving professionals seek to form effective, productive and enduring habits that can take them to the top and keep them there.

- Finally, professionals must redefine indices of success. True success is not determined by what a man gets, but really by what he gives.

### CONCLUSION

Greatness comes by doing a few small and smart things each and every day. It comes from taking little steps, consistently. It comes from making a few small chips against everything in our professional and personal lives that is ordinary, so that a day eventually arrives when all that's left is the extraordinary.

Connectivity with divinity makes a man relevant among humanity. In your goals to go the extra mile, prepare to pay an extra cost. Excellence is to be exceptional, surpassing, more competent and a step ahead with what is in your hands.

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THE INSTITUTE OF CHARTERED ACCOUNTANTS OF NIGERIA

# Building Nigeria's Economy for Resilience and Sustainability Beyond Oil

- Prof. Vincent Onodugo, PhD, FCAI, FNIM



## INTRODUCTION

"Each generation must, out of relative obscurity, discover its own mission, fulfill it, or betray it."-- *Frantz Fanon The Wretched of the Earth*

## CONTEXT

**The COVID-19 pandemic taking place in a globalised world quickly exposed how fragile the Nigerian economy is:**

- 6 million (World Bank, 2021) more people were pushed to extreme poverty ramping up to 105 million in extreme poverty as at November 2020 ( Guardian, 2020)

- The unemployment that has been hovering around 23% for a long time moved up to 33% and youth unemployment 42.5% and 21.05% underemployment .

- The exchange rate spiked to N411.29 ( official) & N570 ( parallel) per dollar and inflation peaked at 22%

- Free movement in pursuit of livelihood became restricted partially on account of social distancing due to covid-19 pandemic and more so, because of insecurity.

### The consequences are:

- A near-failed state with cacophony of separatists' voices agitating for secession

- A Nigerian nation whose potentials are untapped and resources misused

and squandered

A business environment that devours its operators leading to massive exodus of multinational firms ( Dunlop, Michelin, etc)

An army of unemployed youths that have become an instrument of terrorism, bigotry, armed robbery, kidnapping, prostitution, etc ( Daily looking for opportunity to emigrate)

Insecurity , corruption and injustice reigns supreme

Everybody hovers around the state resources to survive

- It is against this backdrop that the topic of building economy for resilience and sustainability finds relevance and import

## Why and How is Nigeria's Economy Fragile and Unsustainable?

### Deficiency in Policy Formulation and Strategic Planning

- Data for planning are somewhat inadequate, inaccurate and thus unreliable (i.e. population)

- Strategic plans are not followed through by successive regimes – Vision 2020 & NEEDS were prematurely replaced by 7 point agenda and later by transformation agenda. We just finished implementing ERGP.

- Presently, Nigeria is on a planning

transition since the expiration of ERGP in 2020.

- Nigeria does not have a strategic plan that underpins development efforts. We are currently driven by short and medium term plans

## What is wrong with the Nigerian economy...?

### a. Over dependence on oil and natural resources for foreign earning

- The major driver of Nigerian economy is the oil and gas sector that employs only 1% of the population.



The money generated by this down-trending sector is misused by the political class that is less than 2% of the population. The economy is polarised with many very poor people amidst few that are very rich.

Agitations about the way income from oil is shared is making the business climate hostile.

The sectors ( Agric and manufacturing) that are capable of affecting more than 70% of the population is at best struggling.

Export of primary product with no value addition and multiplier effect is the main source of export earning.

### b. Rising indebtedness that are apparently unsustainable

As at march 31st 2021 Nigeria's total debt stock stood at N33.107 trillion or USD87.239 billion. This made debt servicing to revenue to stand at 74% meaning that we spend about 74% of our income on debt servicing

The reason for borrowing is usually for infrastructure and power yet we are still far from manageable threshold on these areas.

Because of poor capital budget performance quite a sizeable chunk end up being used for overhead expenses-consumption

Most of the last bit of expenses made on rail were not based on clear business plan with clear repayment modalities. Worse still, some of the facilities are still being subsidized implying that repayment is doubtful.

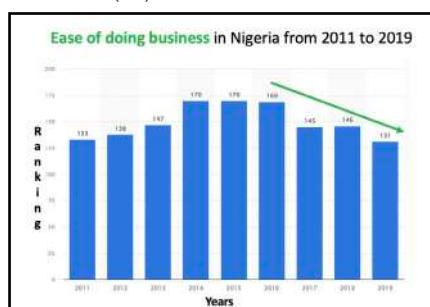
### c. Harsh economic environment for businesses

Looks good?

Not Yet.

We rank lower than:

Mauritius (13)



Rwanda(38)

Kenya (56)

Botswana (87)

Togo(97)

Uganda (116)

**Nigeria(131)**

### High cost of doing business as a result of the following:

- Alternative source of power to complement what DISCOs are able to give
- Multiple taxation
- Insecurity especially farmers who can

not freely go to farm due to herders conflicts

- Difficulty in obtaining government titles (C of O) to landed property
- High interest rate and absence of long term capital for business
- High cost of imported spare parts and production inputs as a result of high cost of forex.
- Policy inconsistency and somersault and in some cases incongruence between fiscal and monetary policies.

### d. Disconnect between primary and secondary sectors of the economy

Selling of primary products like crude oil and cocoa at low prices dictated by external forces and paying heavily for imported petroleum products and chocolate at higher prices. World bank estimates \$7,000,000,000 in annual petroleum subsidy cost in Nigeria (2.2billion dollars already spent at the first eight months of this year)

The lack of processing of primary products locally denies the nation the following opportunities:

- Multiplier effect on the economy by creating job and wealth at each value chain
- Reducing the speed of acquiring and improving on technology of production
- Stabilisation of the value of naira and preventing capital flight
- Stemming the tide of corruption and inefficiency in the sector

Creating room for subsidies that provides plank for corruption and under develops the private sector

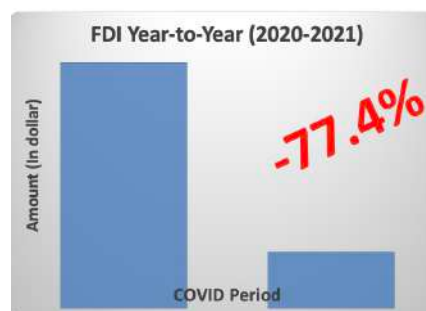
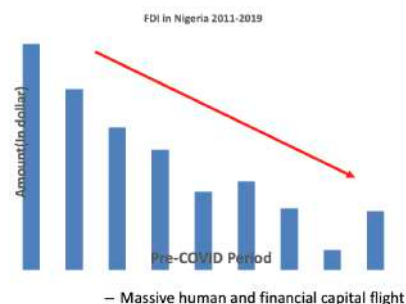
As long as government subsidizes the petroleum products, private sector players will not invest in the sector

### Pervasive unemployment , poverty and Insecurity

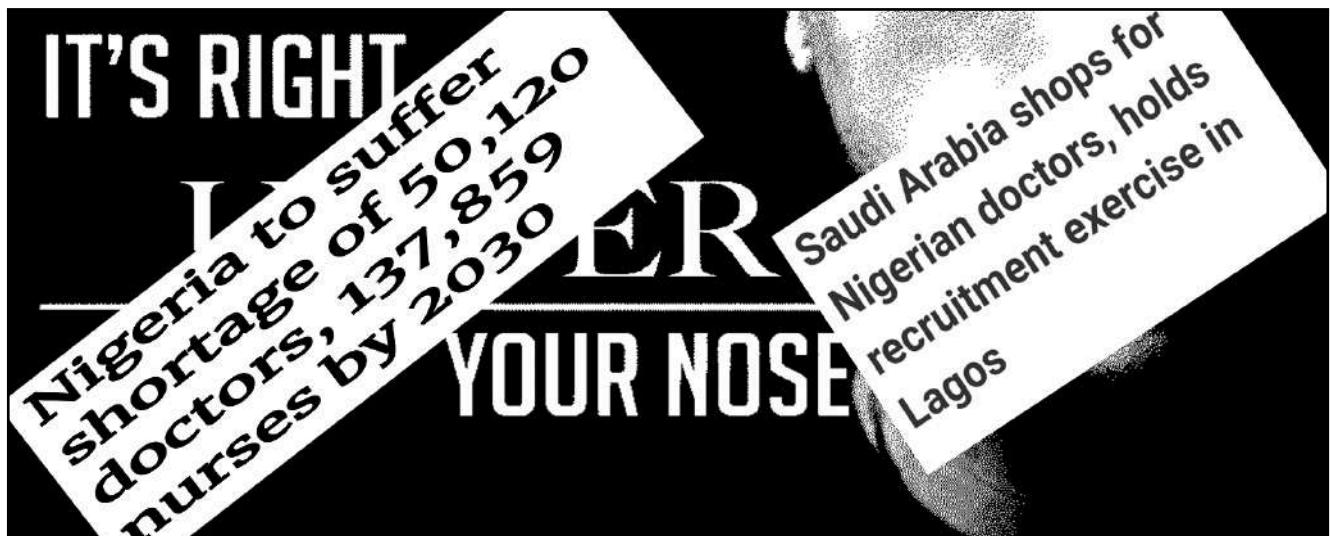
- With unemployment at 33%, youth unemployment at 42% and more than 60% of the population living below poverty line the following tendencies will persist:
- Cultism and ritual acts ( Malaysia boys)

Internet fraud ( Yahoo yahoo- Hushpuppi )

- Electoral thuggery and violence
- Illegal migration and xenophobic attacks
- Drug trafficking and addition
- Kidnapping , armed banditry and robbery







### Building Block for Resilience and Sustainability



### Achieving food security via mechanisation of Agriculture ( 57.7% of our population suffer from moderate to severe food insecurity- worse than Burkina Faso and Sudan{to provide context})

- Providing support for agriculture mechanisation
- Government shared facility in storage, farm equipment , etc
- Subsidising farmers to mitigate for price fluctuations
- Ensure that loans and grants get to the real farmers ( anchor borrowers and Appeals programmes )
- Support for local processing of agric produce

- Support for ranching to reduce friction between farmers and herders

- Creating wealth & jobs through SMEs development ( PWC reports SMEs account for 96% of businesses and 84% of employment) – strengthening SMEs is strengthening the economy

- Providing Business development & support services for SMEs

- Industrial parks & cluster for concentrated infrastructure for SMEs

- Start-up tax holidays and rebates

- Cheap and accessible long term loans

- Resolving the issue of power and energy

### Safe and secured environment

There is only so much that can be done in atmosphere of insecurity. To deal with insecurity these would help:

- Justice & inclusive governance to all segments of the country
- Increased employment opportunities for our teeming youths
- More resources for human capital development
- Narrowing the gap between the rich and the poor
- Ranching

- More personnel and motivation for law enforcement agents

### Strategically Planning for sustainability

Such plans must be home grown, receive inputs from Nigerians & must be anchored on reliable data

It should be long-ranged ( 20 years & above) and backed by law so that it will survive regimes

It can then be calibrated into short term and medium term implementable programmes

It will capture energy transition away from oil

### Maybe another vision 2040 or 2050....

### Infrastructural Development Without Deepening Indebtedness

- To unleash the private sector and make it competitive there must be massive investment in infrastructure (Nigeria ranks 23/54 in Africa on infrastructural development and has an deficit worth \$100billion annually)
- It is this infrastructure deficit that is fuelling massive borrowing However Nigeria could develop its infrastructure through the following media:

- Infrastructure concessions to private sector developers on build, operate and transfer – we should return to regulated toll gate

- Road to tax initiative by private organisation

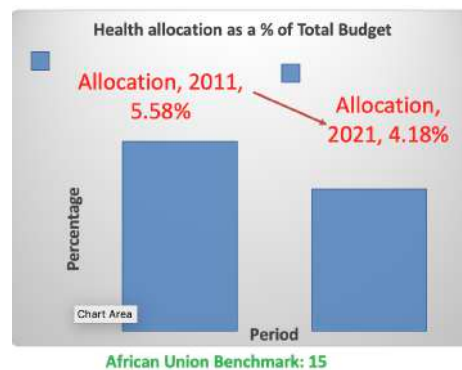
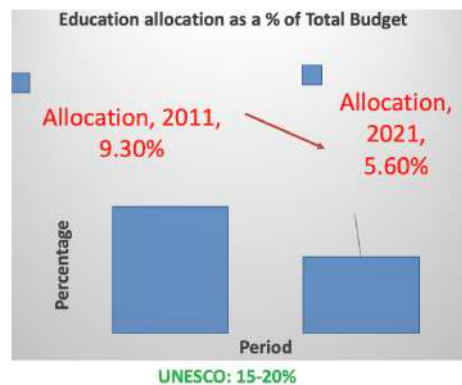
- Public private partnership in the running of some expensive aspects of social services :

- Hospital equipment /services

- Clean energy and power generation

- Special education for physically challenged children

It is my candid opinion that NNPC should



move from being a player to a referee in a fully deregulated oil & gas sector.

There is need to systematically deregulate all aspect of power sector.

### Human Capital Investment- the Post-oil Nigerian Economic Driver

- Nigeria's performance in development index has been abysmal ( UNDP ranks Nig. at 161/189 countries- worse than Zimbabwe and Iraq)

- Youths take to crime and become restive
- Become object of radicalisation and terrorism



- Massive drive to seek greener pastures in other climes with all the attendant xenophobic attacks

### Human Capital Investment- the Post-oil Nigerian Economic Driver

#### Profiling Nigeria's stock of human resources

Available statistics show that as at today, over 40% of Nigerians are under fifteen, while 3% are over retirement age.

The implication is that by 2030, it will be one of the few countries in the world



that has young workers in plentiful supply

Consequently youth, not oil, will be the country's most valuable resource in the twenty-first century.

What we make out of them will determine whether we shall attain the lofty

goal of claiming the giant of Africa (**Next Generation Project ,2010**)

### Human Capital Investment- the Post-oil Nigerian Economic Driver

It is globally acclaimed that Nigerians in Diaspora are very creative and innovative

They are known to be the most educated segment in the American demography

In all realms of human endeavour Nigerian youths have excelled.

The flipside of well trained Hushpuppi could be Steve Jobs or Philip Emeagwali

### Human Capital Investment- the Post-oil Nigerian Economic Driver

Claiming 21st Century by boosting remittances via exporting human capital (HC)

- In today's virtual world, Nigeria, like India, can be the exporter of human capital dominating in:

- Medical practice
- ICT and innovation
- Artificial intelligence and robotics
- Financial technology
- Sports and entertainment

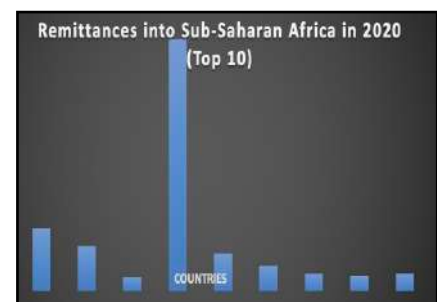


Fig. 1: HC-Growth Framework



If we deploy the remittances from these sources to build infrastructure we shall claim 21st century

### Human Capital Investment- the Post-oil Nigerian Economic Driver

#### Developed human capital will boost

Active participation in knowledge economy

Increasing employment generation and wealth creation

Reducing availability of idle hands for criminal activities:

- Secessionist and separatists agitation
- Kidnapping and banditry
- Electoral and domestic violence
- Internet fraud (Yahoo Yahoo) and 419
- Extreme religious radicalisation
- Drug peddling
- ETC

Reducing the incidence of foreigners take-over of the top technical areas in Nigeria and by extension, check mating the incidence of capital flight away from Nigeria

Reducing the incidence of xenophobic attacks to Nigerians overseas

### Ways Forward

Increased budgetary allocation to education and health

Massive training and incentivizing of teachers and researchers

Special funding for digitisation of various aspects of Nigerian education and economy

Alignment between education and industrial practice

### Creating the future we all desire through personal leadership & responsibility

.... It is not what happens to you, but how you respond to it is the crux of the matter... Steve Covey

There is a growing circle of concern as to how the Nigerian nation has degenerated.

All of us are wont to throw stones at others and pass the buck

However, the solution lies in all of us taking personal responsibilities for what we do in our areas of influence.

No chief executive can steal or mismanage funds without active collaboration of the treasury ( either as GM Finance, Bursar, Director of Finance) where most of you belong.

Can God and the nation count on you to do the right thing in our office ?

### Conclusion

"If you can't fly then run, if you can't run then walk, if you can't walk then crawl, but whatever you do you have to keep moving forward." - *Martin Luther King*

**Prof. Vincent Onodugo, PhD, FCAI, FNIM is the Dean, Faculty of Business Administration , University of Nigeria, Enugu**



# NEWS AND EVENTS

## ICAN Unveils New-look Head Office

The Institute has unveiled its new look head office following a recent upgrade of the building's façade. The unveiling ceremony was performed by the Chairman of Body of Past Presidents (BOPP) Princess Agnes Adenike Adeniran FCA who commended the 57th President for the upgrade.

In her remarks at the occasion, the President Mrs. Comfort Olu Eytayo said upgrading of the façade is part of the Institute's rebranding initia-

tives of the current Presidential Year. "We consider it expedient for us to provide an attractive physical and virtual presence for the Institute. You will agree with me that there haven't been major upgrade of the Secretariat since it was built many years ago. In view of this, the Governing Council considered it expedient to do the upgrading at this time", she explained.

She noted that the secretariat build-

ing which was an imposing structure when it was opened in 1979 has been overshadowed by more modern and high-rise buildings in the area which necessitated the need for a facelift to enhance its look and feel.



## Eytayo Urges Secondary School students To Embrace Accounting

The ICAN President, Mrs. Comfort Olu Eytayo has implored Nigerian young secondary school students to embrace Accounting as a profession.

Speaking at the grand finale of the 9th Ijebu-Ode & District Society of ICAN Secondary Schools Quiz Competition on Friday, January 28, 2022, Eytayo said "the accounting professional is one of the few that can work across sectors, irrespective of the nature of business. She urged the students to join the profession by enrolling for the Institute's Accounting Technicians Scheme, West Africa (ATSWA) which is a fast route to qualifying as Chartered Accountants.

"The world has a way of appropriately rewarding anyone who would give it all it takes to rise above the masses. You must consciously distinguish yourselves in life by going the extra mile. You might have heard the popular expression that the difference between "ordinary" and "extra-ordinary" is that little "extra" you put above what your peers are doing," she explained.

Earlier, the Chairman of Ijebu-Ode and District Society, Mrs. Morenike Ramat Taiwo had explained that the quiz programme which started in 2010/2011 has created awareness

among secondary school students and has also taken ICAN to the grassroots. "It has now become an event which all secondary schools in the three local governments within senatorial district eagerly look forward to yearly. Scholarships have been awarded to winners to write the ICAN ATSWA examination and also for full sponsorship to study in the Universities", she disclosed.

## ICAN Seeks Support of Abia State Governor on AI

The Institute has appealed to the Abia State Governor Dr. Okezie Victor Ikpeazu to be an advocate of the ICAN-Accountability Index (ICAN-AI) in the state.

Speaking when she paid a courtesy visit to the Governor in Umuahia, in February ICAN President Mrs. Comfort Olu Eytayo, mni, FCA also appealed to the governor to advise all relevant Ministries, Departments and Agencies (MDAs) in the State to provide the necessary information required by the ICAN AI assessors to enable them rate the state appropriately in the next round of assessment.

She expressed her belief that Abia State's ranking in the next AI report could significantly improve if relevant information are provid-

ed to assessors in a timely manner.

She underscored the relevance of ICAN AI as one of the Institute's significant contributions to the promotion of accountability and transparency in the nation's public finance management.

"The ICAN-AI Report is an annual analysis that reviews governments' adherence to international best practices in Public Financial Management (PFM) at the Federal, State and Local Governments', she said, adding that local and international organizations have endorsed the ICAN-AI as an objective, professional and indigenous monitoring of PFM practices in the country.

Speaking when he received the Pres-

ident and her team on behalf of the Governor, the Abia State Deputy Governor Sir Ude Oko Chukwu FCA pledged the support of the state government to ensure that the next ICAN-AI assessment in the state is successful.

He promised to collaborate with ICAN to ensure that the people of Abia State reaps the benefits of ICAN's several years of expertise and experience.



**Deputy Governor of Abia State, Sir Ude Oko Chukwu FCA receiving a token gift from ICAN President, Mrs. Comfort Eytayo FCA, during the President's courtesy call on him in his Umuahia office.**

## ICAN Commissions Offa Resource Centre

The Institute of Chartered Accountants of Nigeria has commissioned its Resource Centre in Offa, Kwara State.

Speaking at the commissioning of the Centre christened Awa Ibraheem ICAN Resource Centre, on Saturday, February 12, 2022, the President of ICAN, Mrs. Comfort Olu. Eytayo, disclosed that the Centre was established to train and attract more people into the accounting profession in Offa and environ-

According to her, the Centre was established train those who are already in the accounting profession and those who are interested from other professions. The president explained that the Re-

source Center would provide an enabling environment for students preparing for ICAN examinations and would engender increased interests in the youths of the town to take accounting as a profession.

In his address, past President of ICAN, Razak Jaiyeola, who said that the Resource Center was mooted in 2018 during his tenure stated that the center would serve as a factory for production of modern day accountants known as digital Accountants. Also speaking at the occasion, Alhaji Abdulwahab Ibraheem who partnered with ICAN on the establishment of the center said that he provided

funds for the center to support the accounting profession in the training of youths for the accounting profession.

Ibraheem said that the first set of 60 students to be admitted in the school would enjoy full scholarship while their examination fees would also be paid fully by him.

Olofa of Offa, Oba Mufutau Esuwoye II, who also attended the inauguration said that the Resource Center would complement other tertiary institutions that are already on ground in Offa.



**Awa Ibraheem ICAN Resource Centre Offa**

## Professional Accountants Urged to Embrace Digitization

Professional Accountants have been advised to seize the opportunities which technology has provided, in order to shift from the back-end operations to the front seat in decision-making, both in the public and private sectors of the economy.

The admonition was given by a Past President of the Institute and Lead paper presenter, Alhaji Razak Jaiyeola, at the 16th Western Zonal Annual Accountants' Conference held from February 14 to 17, 2022, in Ijebu-Ode, Ogun state. The theme of the conference was "Digital Economy: Whither the Professional Accountants".

According to him, Professional Accountants must constantly assess the potential impact of technological developments in the pursuit of public interest mandate, challenge the status quo and interrogate the relevance of value propositions in light of the emerging developments.

Earlier in her speech, the President of the Institute, Mrs. Comfort Olu Eytayo said, "the world is transiting and there is a high level of interconnectedness between technology and all professions". She implored members to embrace digitization because it has become a standard and competition as jobs are becoming keener for professionals.

Speaking further, she said technology has opened up a vast array of formerly non-existing business channels for Accountants, adding that it has also led to a shift of Accountants operations to the front seat in decision-making.

Participants at the conference were also encouraged to support the amendments of the ICAN Act through engagement with members of the National Assembly, as well as educating the public that ICAN does not intend to regulate tax, but ICAN members must not be dis-

lowed from tax practice, which has been their major area of expertise since 1965.

The conference also noted that "a digitalized environment will result in the capture of more persons who are presently outside the tax net and yield improved revenue. To achieve this, there is an urgent need to deal with identification and enumeration issues. Tax Authorities should encourage the use of data and intelligence to detect where conflicting information is given by a taxpayer to different agencies of government".

The conference which featured two plenaries and two workshops, was declared open by the Special Guest of Honour, Awujale of Ijebu land, His Imperial Majesty, Oba Dr. Sikiru, Kayode Adetona ably represented by Dagbuwewe of Idowa, Oba Y.O. Adekoya



**ICAN President, Mrs. Comfort Eytayo and some dignitaries at the Western Zonal Accountants Conference, Ijebu-Ode**



## ICAN Issues Practice License to Fresh Applicants

The Institute presented 103 Members with their Practice Licenses at a ceremony in Lagos on Friday, February 25, 2022. The President, Mrs Comfort Eytayo in her remarks at the ceremony charged the newly licensed members to strive at all times to faithfully adhere to the noble ideals of integrity, transparency and accountability.

She urged the members to deliver value-enhancing services to all stakeholders while maintaining competence, relevance and competitive advantage, fundamental principle of professional competence and due care among other principles. She assured the members that the Institute would continue to protect them

to avoid an infringement on their rights as professionals while urging them to remain a watchdog for the economy by playing strategic roles in arresting corruption and engender meaningful development in the economy.



**ICAN President, Mrs. Comfort Eytayo and some Management Staff with new Licencees**

## Lack of Transparency and Accountability Still Pose Obstacle to Growth in Nigeria - Eytayo

The President of the Institute, Mrs. Comfort Olu Eytayo, has declared that despite the appreciable progress made in the country's budget system, lack of transparency and accountability across sectors still pose an obstacle to growth and development.

Eytayo made the declaration in Lagos on Wednesday, February 23, 2022 while declaring open the Institute's 2022 Economic Discourse entitled "Exploiting Nigeria's Growth Opportunities and Mitigating the Challenges in the Digital Era".

"While the nation appears to be winning the battle against the corona virus, there are other developments impeding the expected progress of the country.

These include terrorism, banditry, crises between farmers and herdsmen, corruption, poor physical and digital infrastructure, weak institutional framework and lack of consistent commitment to policies and programmes."

"We acknowledge the appreciable progress made in the country's budget system, but lack of transparency and accountability across sectors still pose an obstacle to growth and development," she stated.

Speaking further, she maintained that the Institute's annual Economic Discourse was aimed at regularly reviewing social, economic and political developments in the country and proffering sug-

gestions to relevant government stakeholders, as well as the Institute's way of contributing to public interest mandate.

According to her, the institute would critically examine the highlighted challenges and how to address them in order to restore the country back to the path of meaningful growth. She advised that since the country is preparing for 2023 general elections, the Managers of the country's resources must reach a tolerable compromise between politics and governance, so as not to negatively impact. As we prepare for another general election year in the already fragile social and economic indices.

## ICAN Eulogises UNILAG Engineering Faculty For Embracing Entrepreneurship

The Institute has eulogized the management team of the Faculty of Engineering of University of Lagos (UNILAG), for moving with the trend by encouraging entrepreneurship and encouraging its students.

The President of the Institute, Mrs. Comfort Eytayo while receiving the UNILAG team led by the Dean of the Faculty, Professor Obanishola Sadiq, expressed delight that many organizations are

now towing ICAN's line by seeing the abundant opportunities in entrepreneurship.

She said: "We are professionals in each of our various fields. We are also entrepreneurs and we know that entrepreneurship is germane. We appreciate the need to understand the importance of diversifying and thinking of having another stream of income which entrepreneurship provides. I'm glad its not

only Accountants that are thinking of entrepreneurship".

She explained further that ICAN is presently building its Entrepreneurship Centre in Amuwo-Odofin where its members would have the opportunity to learn any skill they wish to acquire.

She disclosed that the Centre which will be commissioned in April 2022, is being supported by the Bank of Industry (BOI).



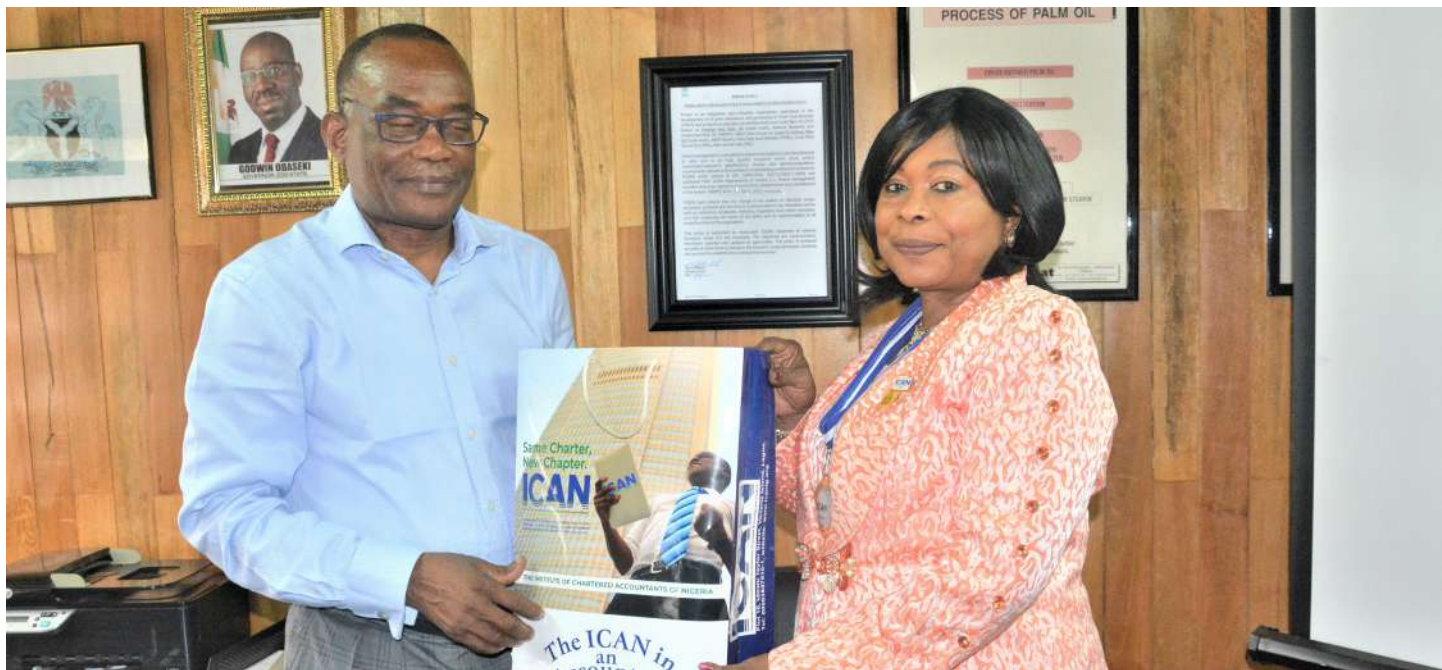
**ICAN President, Mrs. Comfort Eytayo presenting souvenir to the Dean of Engineering Faculty, University of Lagos, Professor Obanishola Sadiq**



# NEWS AND EVENTS



**L-R Dr. Awa Ibraheem; Olofa of Offa, Oba Mufutau Esuwoye; ICAN Registrar, Prof Ahmed Kumshe; 57th ICAN President, Mrs Comfort Olu Eyitayo and other dignitaries at the commissioning of the ICAN centre in Offa**



**The Managing Director of Presco Nigeria Plc, Mr Felix Nwabuko with the ICAN President, Mrs Comfort Olu Eyitayo during ICAN's courtesy visit to the company.**



# NEWS AND EVENTS



**ICAN President, Mrs Comfort Eytayo laying the foundation for the ICAN resource centre Ijebu-ode**



**Prof. Ahmed Kumshe, Registrar/CEO, Dr. Felix Osuji, Council member, Mrs Comfort Eytayo, President, PP Doyin Owolabi and Alhaji Rasak Muritala at the ICAN President Golf Tournament held on Saturday February 26, at the Ikeja Golf Club, Lagos.**



# NEWS AND EVENTS



**Participants at the UK District conference in March**



**L-R : Bim Osunsami, Mr. Shola Makinwa, ICAN President Mrs Comfort Eyitayo and Titi Windapo after their fellowship conferment in UK.**



# NEWS AND EVENTS



**ICAN President, Mrs. Comfort Eytayo with the winners at the quiz competition organized by Ijebu-ode & District Society.**



The 57th President, Mrs Comfort Olu. Eytayo, CFE, CFA, mni, FCA  
and the Governing Council of:  
**THE INSTITUTE OF CHARTERED ACCOUNTANTS OF NIGERIA**  
invite you to the



**Venue:**  
Oriental Hotel, Victoria Island Lagos,  
Nigeria

**Date:**  
Saturday, April 30, 2022

# 2022

## Annual Dinner & Awards

**Time:**  
5:00pm

**Tickets:**  
Single N15,000 | Couple N25,000  
Corporate Table of 10: N250,000

Pay to ICAN GTBank account number 0000631076 and send your receipt to [nnjacob@ican.org.ng](mailto:nnjacob@ican.org.ng) and [asadejare@ican.org.ng](mailto:asadejare@ican.org.ng) for seat reservation.

Call 08026167345 or 08022102086 for more details.

Corporate organizations are encouraged to sponsor their staff to the dinner. Limited seats are available.

**R.S.V.P**  
Ahmed M. Kumshe (Prof) FCA  
Registrar / Chief Executive

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ICANngr  
[www.ican.org](http://www.ican.org)



## NEWS FROM OTHER BODIES

### IPSASB Issues IPSAS 43, Leases

The International Public Sector Accounting Standards Board® (IPSASB®) has issued International Public Sector Accounting Standard® (IPSAS) 43, Leases.

IPSAS 43 is based on International Financial Reporting Standard (IFRS) 16, Leases, developed by the International Accounting Standards Board (IASB). For lessees, IPSAS 43 introduces a right-of-use model that replaces the risks and rewards incidental to ownership model in IPSAS 13, Leases. For lessors, IPSAS 43 substantially carries forward the risks and rewards incidental to ownership model in IPSAS 13.

sector, while maintaining alignment with the IPSASB's first phase of work on IFRS," said IPSASB Chair Ian Carruthers. Leases. The IPSASB will continue its work by considering additional public sector specific issues in its Other Lease-Type Arrangements project.



**How to Access**  
To access IPSAS 43, Leases, its summary At-a-Glance document, and webcast, visit the IPSASB website. The IPSASB encourages IFAC members, associates, and Network Partners to promote the availability of IPSAS 43, Leases to their members and employees.

IPSAS 43 has an effective date of January 1, 2025. Earlier application is permitted in certain circumstances.

and allows for learning to be drawn from the private sector experience in applying IFRS 16."

"IPSAS 43, Leases will improve the transparency of lease accounting in the public

The publication of IPSAS 43 completes

### IAASB RELEASES CONFORMING AND CONSEQUENTIAL AMENDMENTS ALIGNING EXISTING IAASB STANDARDS

The International Auditing and Assurance Standards Board (IAASB) today released further conforming and consequential

amendments to the IAASB's standards resulting from the new and revised quality management standards, which were released in December 2020. The conforming amendments remove actual or perceived inconsistencies between the IAASB's suite of standards and the quality management standards. This allows the IAASB's full suite of standards operate in conjunction with each other and without confusion, which is especially crucial given the importance of firm-level quality manage-

ment to the consistent performance of quality engagements.

December 2020 alongside the quality management standards.

The conforming amendments to the IAASB's International Standards become effective as of December 15, 2022.



ment standards. This allows the IAASB's full suite of standards operate in conjunction with each other and without confusion, which is especially crucial given the importance of firm-level quality manage-

The standards covered in today's release do not include the International Standards on Auditing (ISAs). Conforming and consequential amendments to the ISAs were finalized and released in

## IFAC Issues Time for Action on Sustainability—Next Steps for the Accountancy Profession

On behalf of the global profession, IFAC has taken an active role over the past two years in the emerging dialogue about sustainability—an area critical for the future of our profession.

In 2020 our Way Forward roadmap called for the establishment of a new sustainability standards board under IFRS. Today, the International Sustainability Standards Board (ISSB) is a reality, with a mission to establish a comprehensive global baseline of disclosure requirements addressing the enterprise value of companies. This year, the CDSB and Value Reporting Foundation (including the IIRC) plan to consolidate with the IFRS Foundation, and we look forward to the ISSB finalizing its standard on climate. All of this accelerates sustainability and is essential to avoid regulatory fragmentation.

Throughout 2021, IFAC continued its strong support for the ISSB initiative, and we also spoke out on issues specific to professional accountants—linking sustainability to our public interest mandate and our responsibility as a profession, enhancing our sustainability-related skills and competencies, and championing an integrated mindset within companies. We did ground-breaking work to study The State of Play in Sustainability Assurance and we set out a Vision for High-Quality Assurance of Sustainability Information that is based on emerging best practices and founded on high-quality, global standards.

Now, in 2022, we must turn our attention to the role of professional accountants in leading the transformation of high-quality standard-setting for sustainability disclosure into high-quality, enhanced corporate reporting—and to bring trust and confidence to what is reported through high-quality assurance. We are “the enablers” of the sustainability movement!

To help us lead on sustainability with a

consistent voice, IFAC published a brief call to action today spelling out Next Steps for the Accountancy Profession. Whether we work in public practice, within companies, or in the public sector,

standards and best practices—helping companies identify climate matters material to financial performance and align their climate commitments with financial disclosure.



Finally, we must demonstrate what makes us unique—our ethical code, professional judgment, and our foundational skills and competencies, coupled with our ability to integrate new ESG subject matter and a more forward-looking perspective.

IFAC will continue to speak out and support our profession and your

professional accountancy organizations and professional accountants must:

1. Support the ISSB by contributing to its standard-setting work where we can, by advocating for our local policymakers to adopt a Building Block Approach, and by helping to develop pathways for the use of the ISSB's work around the world. IFAC calls this “How Global Standards Become Local.”

2. Position our profession for success by making the case with our membership, within firms, to our clients, and to policymakers that our profession—with its global reach, public interest mandate, skills and competencies, ethical core, and regulatory oversight—is best positioned to provide sustainability services and assurance.

We must also make the case for mandatory sustainability assurance—winning sustainability assurance engagements with our financial audit clients and demonstrating the value of an interconnected approach to both reporting and assurance.

We must champion an integrated mindset and work to break down information silos within companies—better integrating sustainability disclosures with the work of CFOs.

We must be proactive on climate reporting under existing financial reporting

organizations however we can. For example, we are updating our analysis of sustainability assurance practice around the world, and we look forward to once again engaging with you and your stakeholders on this and other sustainability-related issues. In the coming weeks and months, we will ask for your help in organizing events and for your active participation.

If anything has changed over the past twelve months, it's the realization that sustainability-related reporting and assurance are even more central to the future of our profession than we thought when we started this journey in 2020. Sustainability has the potential to transform what we do and to bring new relevance and value to what we offer as a profession.

But there will be competition in the marketplace because sustainability is a huge opportunity. If we approach it with a sense of entitlement, we will miss that opportunity. We all need to be proactive, advocate on behalf of the profession, and work hard—together—to succeed.

Sustainability is the future of corporate reporting and assurance. Let's make it our future too!

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

CHARGE NO: ICAN/LEG/DT/002441/2019

ICAN

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COMPLAINANT

Vs.

DR. (MRS.) CATHERINE OKPAREKE (PP) (MNo. 002441) ----- RESPONDENT

## JUDGEMENT

### RULING

This is the Ruling of the Accountants' Disciplinary Tribunal ("the Tribunal") in respect of a Notice of Stay Of Proceedings (the Motion) dated April 30, 2021 filed by the Respondent's Counsel.

The said Motion which is brought under Section 241 (1) (a) and Section 36 (1), presumably, of the Constitution of the Federal Republic of Nigeria (CFRN) 1999 (As amended), since the Motion paper is silent on the exact law being relied upon. The Motion seeks an Order of this Honourable Tribunal "*staying the entire proceedings in this complaint howsoever, pending the hearing and final determination of the appeal lodged by the Respondent/Applicant herein against the ruling of the Honourable Tribunal delivered on 27/04/2021.*"

### BRIEF FACTS

The Respondent/Applicant was, on November 8, 2019, arraigned in absentia before this Tribunal on a three count charge. A plea of "Not liable" was entered on her behalf.

By Motion on Notice dated January 17, 2020, the Respondent sought this Tribunal's order to stay its proceedings pending the outcome of an Originating Summons she filed before the Federal High Court in Suit No. FHC/L/CS/2275/19 between Dr. (Mrs.) Catherine Okpareke Vs. ICAN. This Tribunal however re-

solved against the Respondent and thus refused the order sought via its Ruling dated August 13, 2020.

The Respondent soon after filed before this Tribunal, a Notice of Preliminary Objection (PO) dated February 16, 2021 contending that the Tribunal lacks jurisdiction to, among other things, prosecute and or discipline her and consequently prayed that the case against her be struck out or dismissed in limine. By Ruling dated April 27, 2021, the Tribunal denied the Respondent's prayers and consequently dismissed the Notice of PO. The Tribunal further directed that trial in the matter should continue. Notwithstanding the objection by Respondent's Counsel, the Prosecution opened its case on the same day by calling its witness (PW1), one Mr. Michael Aluko, a member of the Investigating Panel that investigated and referred the complaint against the Respondent to the Tribunal and through whom it tendered Exhibit 1. The Tribunal thereafter adjourned the matter at the instance of Respondent's Counsel for cross examination of PW1. At the next adjourned date, Respondent's Counsel notified this Tribunal of having filed before the Court of Appeal, Lagos Division, an appeal against the Tribunal's Ruling delivered on April 27, 2021.

The Respondent has consequently brought before this Tribunal, the instant Motion to stay its proceedings in the

matter pending determination by the appellate Court of the Respondent's appeal against the Ruling of the Tribunal.

In resolving the issue between parties, this Honourable Tribunal shall adopt the sole issue for determination as canvassed by the Respondent's Counsel, to wit, "***Whether the Respondent/Applicant by virtue of the averment as contained in the affidavit has made out a case for the grant of stay of further proceedings in this Application (sic)?***"

The Courts of our land have in a plethora of cases articulated in clear terms the power of Courts regarding interlocutory applications and what a Court must consider when confronted with an application for stay of proceedings by a party. In ***United Spinners Nigeria Limited Vs. Chartered Bank (2001) 14 NWLR (Pt. 732) 195 @ 214***, the Supreme Court, per Uwais, J.S.C., stated that "The Court of Appeal has the inherent power to stay proceedings pending appeal in order that the res may be preserved. The power which is discretionary must be exercised judicially and also judiciously." In the case of ***NNPC Vs. O. E Nigeria Limited (2008) 8 NWLR (Pt. 1090) 583 @ 617C - 618D***, a judicial authority cited by the Prosecution, the Court of Appeal, per Aboki, J.C.A set out, as gleaned from various decided cases, the principles



which should guide the Court in the exercise of the discretion whether or not to grant a stay of proceedings pending the determination of an appeal: "(i.) There must be a pending appeal...; (ii.) There must be an arguable appeal...; (iii.) Where the appeal will dispose of the proceedings...; (iv.) Where the res will not be preserved...; (v.) Where greater hardship will be caused...; (vi.) Where it will render the order of the appellate Court nugatory..." Other grounds include: (vii.) Special and exceptional circumstances; (viii.) Parties in both cases must be the same and the subject matter in the action sought to be stayed must either be the same or substantially similar to the appeal. See the cases of **Akilu Vs. Fawehinmi (No.2) (1989) 2 NWLR (Pt. 102) @122 and Obeya Memorial Specialist Hospital Vs. A.G Federation (1987) 3 NWLR (Pt. 60) @325** cited by the Respondent's Counsel.

This Tribunal observed that although paragraph 5 of the affidavit dated June 15, 2021 in support of Respondent's Motion for stay deposed to by one Tracy Dike, Counsel in the law firm of Respondent's Attorneys aver that an appeal has been lodged against the Tribunal's Ruling, with the Notice of Appeal attached as Exhibit DCO1, it is rather sad to note that there is no such Exhibit DCO1 to evidence that an appeal is indeed pending before the Court

of Appeal. Nonetheless, this Honourable Tribunal has taken judicial notice of service of the said Notice of Appeal on the Institute of Chartered Accountants of Nigeria (ICAN) and the fact that records have indeed been settled and transmitted to the Court of Appeal. This Tribunal would exercise its discretion in line with the mind of the Court in the cases referenced above.

The Prosecution has cited the judicial authority in **Nika Fishing Company Limited Vs. Lavina Corporation (2008) 16 NWLR (Pt. 114) 509 @ 540 – 541** in support of its argument that the pending appeal is frivolous, unmeritorious, oppressive and not in law arguable and has thus urged the Tribunal to refuse the Respondent's application. This Honourable Tribunal is however unable to agree with the Prosecution's argument and is of the view that the grounds of appeal are arguable and not in any way frivolous.

The Tribunal similarly finds that there exists special and exceptional circumstance to justify a grant of Respondent's application to stay proceedings before the Tribunal, one of the grounds of appeal being a challenge to the Tribunal's jurisdiction. A corollary to that is whether the appeal will dispose of the proceedings and the Court in **NNPC**

**Vs. O. E Nigeria Limited (supra)** have answered same in the affirmative. The Court held that "Where the interlocutory appeal following an application for stay of proceedings will finally dispose of the case or put an end to the proceedings in the lower Court, a stay of proceedings would be granted. An example is where an appeal raises an issue of *jurisdiction of the lower Court.*"

In the final analysis, this Tribunal is inclined to resolve the sole issue for determination in favour of the Respondent and consequently grants a stay in the proceedings before it pending the determination of the appeal.

This shall be the Ruling of the Tribunal.

Dated this 27th day of September 2021

**COMFORT OLUJUMOKE EYITAYO (MRS), MNIM, CFA, CFE, mni, FCA CHAIRMAN, ACCOUNTANTS' DISCIPLINARY TRIBUNAL**



## RULING ON RESPONDENT'S NO CASE SUBMISSION

This is a Ruling of this Honorable Tribunal in respect of the No Case Submission dated 4th March, 2021 filed by the Respondent pursuant to the charge brought against the Respondent by the prosecution.

The Respondent was charged before this Tribunal on a single count charge reproduced hereunder: various decided cases, the principles

### 1ST COUNT

#### STATEMENT OF OFFENCE

**INFAMOUS CONDUCT IN A PROFESSIONAL RESPECT** contrary to Paragraph 1.2.0 (a), (c) and (e) of Chapter 1 of the Professional Code of Conduct & Guide For Members of the Institute (Approved 2009) and punishable under the said Code and Section 12 (1) (a) of the Institute of Chartered Accountants of Nigeria (ICAN) Act, Cap. 185, Laws of the Federation of Nigeria, 1990.

#### PARTICULARS OF OFFENCE

That you, **ISAAC KEHINDE OPAKUNLE (M)**, a Chartered Accountant, sometimes in or around November, 2015 acted without integrity whilst being an employee of God Is Good Motors and Ziuss Oil and Gas Limited (subsidiaries

of God Is Good Group of Companies) by paying the Companies cheques into your personal bank account and into your firm, FSC Professionals' bank account and other monies of the Companies without authorization of your said Employers and thereafter converted same for your personal use thereby committing an offence contrary to Paragraph 1.2.0 (a), (c) and (e) of Chapter 1 of the Professional Code of Conduct & Guide For Members of the Institute (Approved 2009) and punishable under the said Code and Section 12 (1) (a) of the Institute of Chartered Accountants of Nigeria (ICAN) Act, Cap. 185, Laws of the Federation of Nigeria, 1990.

The Respondent was on March 11, 2019 arraigned before this Tribunal on the one count charge reproduced above and he pleaded "Not liable". The Prosecution opened its case on November 8, 2019 by calling its first witness, PW1 (a member of the Investigating Panel that investigated the complaint against the Respondent) and through whom Exhibit 1 was tendered. PW1's testimony was concluded on January 29, 2020. The evidence of PW2 and PW3 (officers of the Complainant Company) together with their cross-examination was also heard on February 21, 2020 and January 15, 2021 respectively.

At the conclusion of Prosecution's case, the Respondent's Counsel filed a No Case Submission dated March 4, 2021.

The Prosecution in response filed their Reply dated March 16, 2021 whilst the Respondent filed a Reply On Points of Law dated March 22, 2021.

It is the humble view of this Honourable Tribunal that the sole issue for determination in the instant case is "*Whether the Prosecution has established a prima facie case against the Respondent?*"

A no case submission literally means that a defendant, an accused or the Respondent as in this case, has nothing to defend or answer going by the charge(s) preferred against him and the evidence adduced against him, whether they be the testimony of witness(es) or evidence tendered and admitted by the Court. Our Courts have, in a long line of cases, enunciated the "no case submission" principle. In **C.O.P Vs. Amuta (2017) 4 NWLR (Pt 1556) 379 at 399**, the Court stated that "It is settled law that a submission that there is no case to answer by an accused person means that there is no evidence upon which, even if the Court believed it, it could convict." See the case of **Ajiboye Vs. State (1995) 9 SCNJ 242**. Similarly, in **Ossai Emedo Vs. The State (2003) 1 WRN 20**, the Supreme Court stated the grounds necessary to uphold a "no case submission". The Court per Mohammed, J.S.C stated as follows "A submission of no case to answer may properly be upheld (a) when there has been no ev-

idence to prove an essential element in the alleged offence and (b) when the evidence adduced by the prosecution has been so discredited as a result of cross-examination, or is so manifestly unreliable that no reasonable tribunal could safely convict on it." It is pertinent to note that the foregoing conditions are not cumulative, thus the existence of any or all of them is sufficient. **See Ajidagba Vs. I.G.P (1988) 3 FSCS 6; Duru Vs. Nwosu (1989) 1 NWLR (Part 113) 24 at 43.**

A "no case submission" therefore presupposes that from the evidence placed before a Court by the Prosecution, the accused should not be called upon to defend himself as no prima facie case has been made against him. In **Iberi Vs. A. G. Federation (2014) 5 NWLR (Part 1401)** the Court held that "It is not for the accused person to prove his innocence. The burden is on the prosecution to establish the case against the accused beyond reasonable doubt. By proof beyond reasonable doubt, it is intended that a prima facie case must be made out by the prosecution against the accused." The Court went further to explain what a prima facie case means when it held thus "A prima facie case connotes the existence of evidence which is sufficient enough to support the allegation made and would be regarded as having been made in the absence of further evidence in rebuttal of same." Parties herein have called upon this Tribunal to determine a lone issue which can easily be distilled from a detailed study of the filed processes, to wit, Has the Prosecution been able to establish in the mind of this Tribunal or any other adjudicatory body that indeed the Respondent has an explanation to make regarding the charge preferred against him? This Honourable Tribunal shall therefore proceed to answer this question and nothing more.

The Courts have held that in considering a submission of no case, the correct procedure is to write a brief ruling and make no observation on the facts. **See Bello Vs. The State (1967) NMLR 1.**

The Tribunal shall therefore refrain from being drawn into arguments canvassed by Parties other than the issue for determination.

Having set the tone for the Ruling of this Tribunal by the immortal and immutable pronouncements of the Courts in the foregoing cases, it is clear that when all that has transpired between the opening of the case of the Prosecution and closing of their case is placed side by side with judicial authorities, this Tribunal is persuaded to believe that the Respondent has a case to answer. In **Ossai Emedo Vs. The State (supra)**, the Supreme Court warned "against the discharge of accused persons after a submission of no case to answer, particularly when it is clear from the evidence adduced that the facts disclose some explanation which the accused has to make in view of what the prosecution has so far established from the evidence." This Tribunal is inclined to follow the counsel expressed by the apex Court of our land regarding this warning.

It is instructive to restate here that the Supreme Court in **Ossai Emedo Vs. The State (supra)** added that "*the decision to uphold or reject the submission should not depend upon whether the adjudicating tribunal would at that stage convict or acquit, but upon whether the evidence is such that a reasonable tribunal might convict. Although those considerations were expressed to be for the guidance of Judges during criminal trials it is clear that they are of general applicability. See Ibeziako v.C.O.P. (1963) 1 SCNLR 99, (1963) 1 All NLR 61 and Stoneley v. Coleman (1974) Crim. L.R. 254 D.C.*"

The Court, per Mohammed J.S.C further held that "...when a submission of no case to answer is made...the Judge does not write a 'judgment'. It is not the Judge's job, at that stage, to weigh and evaluate evidence or decide who is telling the truth or who is lying and he is not to conclude that what the prosecution has adduced is unreliable. See *R. v.*

*Barker (1977) 65 Cr. App. R. 287.*"

There is no doubt whatsoever that the only reasonable and irresistible inference to be drawn from the evidence must be that the Respondent acted in a manner that requires him to answer to irregularities in the funds of his employer which he was responsible to account for. The evidence at this stage is sufficient to entitle this Honourable Tribunal not to express opinion one way or the other but to overrule Respondent's submission of no case to answer and to rule positively that a prima-facie case has been made out by the Prosecution which at the very least, calls for some explanation by the Respondent. To so rule does not in any way shift the burden of proof from the Prosecution to the Respondent; nor does it necessarily mean that the Respondent is guilty of the charge preferred against him. See *Daboh & Anor. Vs. The State (1977) All NLR 146.*

In the final analysis, this Tribunal finds that a prima facie case has been established against the Respondent sufficient enough to require him to answer. Consequently, the Respondent's no case submission fails and he is hereby ordered to enter his defence.

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

Dated this 27th day of September 2021

**COMFORT OLUJUMOKE EYITAYO (MRS), MNIM, CFA, CFE, mni, FCA CHAIRMAN, ACCOUNTANTS' DISCIPLINARY TRIBUNAL**





## JUDGMENT

The Respondent was arraigned before this Tribunal on a two count charge as follows:

### 1ST COUNT

#### STATEMENT OF OFFENCE

**INFAMOUS CONDUCT** contrary to Paragraph 1.2.0 (e) and 1.2.5 of Chapter 1 of the Professional Code of Conduct and guide for members of the Institute, 2009, and punishable under the said code and section 12(1) of the ICAN Act Cap 185, Laws of the Federation of Nigeria, 1990.

#### PARTICULARS OF OFFENCE

That you, **Olanrewaju Paul Olawuyi (M)**, between January 2012 and October 2015 as Head of Accounts manipulated figures and absconded with large sums of money pilfered over several years running into millions of Naira, contrary to the Institute's ethics and standards of behavior required of a member of the Institute and punishable under Section 12 (1) (a) of the ICAN Act Cap 185 Laws of the Federation of Nigeria 1990.

### 2ND COUNT

#### STATEMENT OF OFFENCE

**DISRESPECT** contrary to Paragraph 21.2.5 of Chapter 21 of the Professional

Code of Conduct and Guide for Members of the Institute, 2009, and punishable under the said Code and Section 12 (1) (a) of the ICAN Act cap 185, LFN 1990.

#### PARTICULARS OF OFFENCE

That you, **OLANREWAJU PAUL OLAWUYI (M)**, on April 7th, 2017, 28th March, 2018, acted in a way disrespectful to the Institute of Chartered Accountants of Nigeria when you failed, refused and/or neglected to honour the invitations of the Institute Accountants' Investigating Panel requesting you to appear on the slated meetings for interviews, despite reminder letter dated 28th March, 2018, contrary to Paragraph 21.2.5 of Chapter 21 of Professional Code of Conduct and Guide for Members and Section 12(1) (a) of the ICAN Act Cap 185 Laws of the Federation of Nigeria, 1990.

The Respondent was arraigned at the Tribunal sitting of October 2019. The Respondent was neither present at the Tribunal sitting nor was he represented by Counsel.

At the sitting of the Tribunal on the 8th of November, 2019, the Respondent was absent again and was not represented by Counsel. This Tribunal at the said sitting directed that a Newspaper Publication be put up by the Secretariat, inviting the Respondent for the sitting of the Tribunal on the 10th of December,

2019. In compliance with the directive of this Tribunal, a Publication was put up in Punch Newspaper of Friday, December 6, 2019.

At the Tribunal sitting on the 10th of December, 2019, the Complainant was in attendance with her counsel, whereas the Respondent was neither present nor represented by Counsel. Being satisfied that the Respondent was given notice of the case against him, the charge preferred against the Respondent was read in absentia, in line with Section 3(1) of the Chartered Accountants (Disciplinary Tribunal and Assessors) Rules which gives this Tribunal the power to hear and determine a case in the absence of any Party.

A plea of 'not liable' was entered for and on his behalf while further proceedings were adjourned for the commencement of trial.

At the Tribunal sitting of 29th January, 2020, trial commenced with the evidence of the first Prosecution Witness – Mr Aluko Michael, a member of the Accountants' Investigating Panel which investigated the complaint against the Respondent and through whom the Investigating Panel Report (with the attached documents) was tendered and admitted in evidence as **"Exhibit A"**. It is worthy of note that the Respondent was absent and not represented by any

counsel at this sitting.

The first Prosecution Witness gave evidence of how the Investigating Panel invited parties to its meetings but the Respondent failed, refused and/or neglected to honour any of the invitations to him, to attend the Panel meetings, whereas the Petitioner and its auditor attended the Panel meeting every time it was convened and that the Petitioner produced documents to establish its allegation against the Respondent.

He further stated that the Panel consequently referred the Respondent to this Tribunal and he urged the Tribunal to find the Respondent liable for refusing to appear before the Accountants' Investigating Panel as a member of the Institute which is an act of disrespect. Due to the absence of the Respondent at the Tribunal sitting, the matter was adjourned for cross-examination of the first Prosecution Witness.

At the Tribunal sitting of February 21, 2020, the cross-examination of the first Prosecution Witness could not be taken because the Respondent was absent again and was not represented by any Counsel. The right of the Respondent to cross-examine the first Prosecution Witness was therefore foreclosed and the witness was not cross-examined. The matter was adjourned to 21st of April, 2020 for the Prosecution to call its second witness. However, the Tribunal could not sit till March 22, 2021 due to the Covid-19 pandemic lockdown.

On the 22nd of March, 2021, this Tribunal sat to continue trial. The second Prosecution Witness – Mr. Samuel Olusegun who is an employee of the Petitioner (Dees Travels) gave evidence before this Tribunal. He stated that even though he does not know the Respondent personally, he was informed when he joined the company that the Respondent including one Mrs. Tolu Ogun and Mr. Niyi defrauded the company of millions of Naira. The witness could not be cross-examined at the sitting due to the absence of the Respondent. The right to cross-examine was foreclosed. The prosecution also closed its case.

At the Tribunal Sitting of 27th of April, 2021, neither the Respondent nor his

Counsel was present. This Tribunal was informed by the Secretariat that notices were served on the Respondent; yet, he failed to be present at the sitting. The Tribunal decided to step down the case to give chance for the Respondent to appear, perhaps he was held up in traffic. At about 2:00PM, the Tribunal reconvened but the Respondent was not in attendance in the Tribunal. On the application of the Prosecution, the Respondent's right to commence defence was foreclosed having failed to appear despite several notices. The matter was adjourned for the Prosecution to file its final written address.

In addressing the Tribunal, the Prosecution filed a Final Written Address dated 22nd July, 2021. The Prosecution raised the following questions in assessing whether or not it has discharged the onus placed on it with respect to the matter –

- (a) Where there any omission or commission of the misconduct or disrespect made out against the Respondent? (sic)
- (b) Did the Investigating Panel and the Tribunal give the Respondent adequate opportunity to know the offence or defend the allegations against him?
- (c) Was the Respondent given adequate notice, invitation and opportunity to know the offence or defend the allegations against him?
- (d) Did the Respondent take any step or advantage given to him to respond, clarify or make himself available for trial?
- (e) Was there intention or exhibition of disrespect on the part of the Respondent to ignore the Panel and Tribunal?
- (f) Did the conduct and behavior of the Respondent depict infamous, disrespect, contempt or land professional misconduct of the member? (sic)
- (g) Was there any findings affirming the allegations and charges of misconduct against the Respondent?

The Prosecution argued that the above questions have been affirmatively answered on the basis of the testimonies

of the first and second Prosecution Witnesses as well as the report of the Investigating Panel tendered as 'Exhibit A' which was neither "controverted" nor "tainted with any cross examination".

It further canvassed that it has discharged the onus of proving the allegations against the Respondent beyond preponderance of evidence and that since there was no counter opinion or reliable contradiction of the facts of the case, the Tribunal should resolve the matter in favour of the Prosecution.

The Prosecution commended the Tribunal to case of **OKONJO VS THE STATE 1978 NSCJ page 29 at 302, R VS BRAHAMA (1945) II WACA 49 and UBANATU VS COP (2000) 2 NWLR P. 118 – 9.**

From the submissions of the Prosecution as well as the facts and evidence with respect to this matter, this Tribunal has distilled two issues for determination viz:

- (1) Whether the Respondent was given a fair hearing in these proceedings;
- (2) Whether from the evidence and circumstances of this matter, the actions of the Respondent amount to infamous conduct and disrespect.

Without an atom of doubt, this Tribunal pitches its tent with the submission of the Prosecution that sufficient opportunities were given to the Respondent to defend the allegations made against him which he however failed, refused and or neglected to use.

Aside the series of correspondence sent to the Respondent by the Secretariat inviting him to attend the Investigating Panel meetings and the Tribunal sittings, a publication was made in the Punch Newspaper of Friday, December 6, 2019 at page 36 inviting him to attend the Tribunal Sitting. Despite the publication which is deemed as a notice to the whole world, the Respondent failed, refused and or neglected to appear to defend himself. His refusal to honour the invitations amounts to treating the Institute with disregard of the highest order.

Furthermore, this Tribunal considers the continued absence of the Respondent

from its Sittings as an admission of guilt by conduct, in view of the evidence that the Respondent was adequately put on notice of the pendency of the allegations against him at this Disciplinary Tribunal. Whilst it is true that silence is golden, however, silence can also amount to consent or admission. This is where admission by conduct upsets the saying that silence is golden. **Section 20 of the Evidence Act (2011)** as amended defines admission as “**a statement, oral or documentary or conduct which suggests any inference as to any fact in issue or relevant fact and which is made by any of the persons, and in the circumstances hereafter mentioned in this Act**”. (Emphasis supplied). See also *Okoebor Vs. Police Council* 2003 12 NWLR (Pt. 8 34) 444

The evidence of the Prosecution Witnesses in this matter were unchallenged and uncontroverted by the Respondent who refused to appear at the Tribunal. It is established law that facts which have not been categorically countered or denied by a party are deemed admitted. See *Consolidated Res. LTD Vs. Abafor Ven Nig Ltd* 2007 6 NWLR Pt. 1030

**221. In AKALONU VS OMAKORO** 2003 8 NWLR (Pt. 821) 190 at 206 -20, the court held that when evidence is not disputed or unchallenged, it should be admitted.

Notwithstanding, this Tribunal still has a duty to evaluate the evidence before it in line with the decision in *GONZEE NIGERIA LTD VS NERDC*. The Auditor's Report annexed to the Investigating Panel's Report (Exhibit A) is worthy of mention at this juncture. The Auditor wrote on page 2 of the Report and I quote as follows:

***“In view of the above, we are therefore constrained to report that the company's accounting processes, procedures, documentation and operation as it relates to account receivables are not free of material misstatement and bias. And this misstatement and bias are due to fraud perpetrated by two of the company's personnel – Mr. Olanrewaju Paul (Head of Account) and Miss Ogun Tolulope (Ticketer). A total sum of #37, 782, 472 was identified as money not accounted for, out***

***of which #19, 241, 760 has been confirmed to be due to fraudulent practice while #18, 540, 712 may still be subject to further confirmation. See attachment for details of affected transactions...”***

This Tribunal expresses the greatest displeasure at the conduct of the Respondent. The Tribunal is duty bound to ensure that members of the Institute uphold her motto which is “Accuracy and Integrity”.

**Paragraph 1.2.0 (a) and (e) of the Professional Code of Conduct and Guide for Members of the Institute, 2009** provides that “A Chartered Accountant should be straightforward and honest in all professional and business relationships. Integrity implies not merely honesty but fair dealing and truthfulness” and “A Chartered Accountant should comply with relevant laws and regulations and should avoid any action that discredits the profession”.

**Paragraph 1.2.5 of Chapter 1 of the Rules of Professional Code of Conduct and Guide for Members** provides that “The principle of professional behavior imposes an obligation on Chartered Accountants to comply with relevant laws and regulations and avoid any action that would make a reasonably informed third party conclude negatively about the good reputation of the profession”.

Having considered all the facts and evidence before it, this Disciplinary Tribunal resolves the two issues for determination in favour of the Prosecution.

**Section 12(1)(a)** of the Institute of Chartered Accountants of Nigeria Act empowers the Tribunal to administer and impose disciplinary sanctions on erring members of the Institute in order to forestall unprofessional conduct by members.

This Tribunal shall therefore apply its discretion as is provided for under Section (12)(1)(a) of the ICAN Act to make pronouncements as follows:

- I. The Respondent is hereby suspended from membership of the Institute for ten (10) years;
- II. The Respondent is hereby

ordered to return his Membership Certificate and License to practice to the Institute of Chartered Accountants of Nigeria forthwith;

**III.** The suspension period shall start running from the date the certificate and License are returned to the Institute;

**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 #1,000,000.00 (One Million Naira) only, to the Institute being the cost of proceedings at the Investigating Panel and the Disciplinary Tribunal in respect of this case;

**VI.** Where the Respondent fails, neglects or otherwise refuses to return his certificate and license and 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 this Tribunal and same shall be published in the Institute's Journal.

**DATED THIS 27th OF September 2021**

**COMFORT OLUJUMOKE EYITAYO (MRS), MNIM, CFA, CFE, mni, 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/DT/001607/2019

ICAN

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COMPLAINANT

Vs.

MR. AYODELE ADEYERI (MN: 001607)

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RESPONDENT

## JUDGEMENT

### JUDGMENT

The Respondent in this matter was arraigned in absentia at the December 10, 2019 sitting of this Tribunal on a two count Charge as follows:

#### 1ST COUNT

##### STATEMENT OF OFFENCE

Professional misconduct contrary to Paragraph 1.2.0(c) of Chapter 1 of the Professional Code of Conduct and Guide for Members of the Institute, 2009 and punishable under the said Code and Section 12(1) of the ICAN Act Cap 185, Laws of the Federation of Nigeria, 1990.

##### PARTICULARS OF OFFENCE

That you, **Ayodele Adeyeri (M)** sometime in 2009 while acting as External Auditor to Havilah Microfinance Bank Limited, carried out investigation into the Teller and Banking Operations of the Bank between September 2008 and June 2009 without exercising due care, diligence and skill and without regard for the technical and professional standards expected of members of the Institute, and thereby committed an offence contrary to Paragraph 1.2.0(c) of Chapter 1 of the Professional Code of Conduct and Guide for Members and punishable under Section 12(1) (a) of the ICAN Act, Cap 185, Laws of the Federa-

tion of Nigeria 1990.

#### 2ND COUNT

##### STATEMENT OF OFFENCE

Professional misconduct contrary to Paragraph 1.2.0(b) of Chapter 1 of the Professional Code of Conduct and Guide for Members of the Institute, 2009 and punishable under the said Code and Section 12(1) of the ICAN Act Cap 185, Laws of the Federation of Nigeria, 1990.

##### PARTICULARS OF OFFENCE

That you, Ayodele Adeyeri (M) sometime in 2009 acted without caution and without observing the ethical rules of objectivity in the exercise of your professional judgment when you carried out investigation into the allegation of gross financial mismanagement against the Managing Director/Chief Executive Officer of Havilah Microfinance Bank Limited and presented a report on the investigation to the Board of Directors of the Bank without discussing your findings with Mr. Rufus Oluyole (the then Managing Director of the Bank), thereby committing an offence contrary to Paragraph 1.2.0(b) of Chapter 1 of the Professional Code of Conduct and Guide for Members and punishable under Section 12(1) (a) of the ICAN Act, Cap 185, Laws of the Federation of Nigeria 1990.

A plea of 'Not liable' was entered on behalf of the Respondent for both Counts.

At the Tribunal sitting of January 29, 2020, trial commenced and the Respondent was informed of his right to a Legal Practitioner of his choice but he elected to represent himself. The first Prosecution Witness (PW1), Chief Oyemolu Akinsulire, gave evidence in chief as a member of the Panel that investigated the matter. PW1 identified the Investigating Panel Report which also contains various documents and was admitted as "Exhibit A" before this Tribunal.

Some of the documents in the exhibit identified by PW1 include the complaint against the Respondent by Mr. Rufus Oluyole dated 6th August 2010, the Respondent's response dated 27th October 2010 and the Complainant's reaction to the Respondent's submission dated 29th November and 7th December, 2010. PW1 stated that in the course of its investigation into the complaint, the Panel observed that as the Bank's External Auditor, the Respondent should not have accepted the job of investigating the Bank's Managing Director to avoid conflict of interest and ensure his independence and objectivity.

Secondly, the Panel was of the opinion that it was wrong for the Respondent to have signed an unqualified audit report

a week after submitting an investigative report indicting the Managing Director of financial impropriety. Thirdly, the Panel was not satisfied that the Respondent interviewed the Bank's Managing Director before submitting his report (to give him the opportunity of defending himself, considering the gravity of the allegations of gross financial misconduct leveled against him).

The Respondent cross examined PW1 himself.

Mr. Rufus Oluyole, the Complainant also gave evidence as PW2. He confirmed his petition which is an annexure in Exhibit A (the Investigating Panel Report). In summary of his evidence, PW2 stated the following:

1. That between 2007 and 2010, a staff of the Bank who was relieved of his post, sent a petition to the Bank's Board of Directors accusing him of financial impropriety;
2. In the course of the Board meeting where the issue came up, the Respondent walked in and was requested to investigate the allegations against him;
3. At that same Board meeting, he (PW2) was placed on suspension;
4. That the Respondent indicted him in his report without giving him the opportunity to defend himself and the report was full of irregularities; and
5. That based on the Respondent's report, he (PW2) was arraigned in Court and incarcerated for two (2) years between October 2013 and October 2015.

The material statements made by Mr Oluyole under cross examination by the Respondent include the following:

1. In the course of the investigation while he was on suspension, he reached out to the Respondent to hear him out but he refused; and
2. The Respondent did not discuss his report with PW2 upon his resumption after his suspension.

At the February 21, 2020 Tribunal sitting, the Respondent opened his defense by calling his first witness (DW1), Mr Tony Egbeogu who was the Bank's Head of Operations. The witness gave evidence

and was cross examined by the Prosecution. Respondent's second witness, Mr Arthur Alaba Thomas, former Chairman of Havilah Microfinance Bank (DW2) gave evidence on 15th January 2021. He stated that the Board of Directors of the Bank received a petition from a sacked staff of the Bank against the Bank's Managing Director; whereupon the Board appointed the Respondent to investigate the allegation and suspended the Managing Director so that he would not tamper with the investigation. He stated further that when the investigation report was submitted to the Board of Directors, the Board invited Mr Oluyole to a formal meeting to defend himself.

In his Final Written Address dated 19th March 2021, the Respondent argued that the assignment given to him by the Board of Havilah Microfinance Bank was to carry out detailed and comprehensive investigations into the petition received from Mr Kehinde Aruna alleging gross financial mismanagement against the Bank's Managing Director, Mr Rufus Oluyole. He stated that he did not carry out investigation into the Teller and Banking Operations of the Bank between September 2008 and June 2009 as alleged in the 1st Count. He therefore urged the Tribunal to dismiss the 1st Count.

The Respondent also urged the Tribunal to dismiss the 2nd Count for lacking merit, as according to him, he was appointed by the Board of Directors of the Bank to carry out investigation into the allegation of misappropriation of the Bank's fund; thus his responsibility was to the Board of Directors of the Bank. He stated that nevertheless, he discussed the investigation report with Mr Rufus Oluyole before it was submitted to the Board.

In his Final Written Address dated 5th April 2021, the Prosecution raised the following questions:

1. Whether the ingredients of the allegation against the Respondent were established or otherwise;
2. Whether the Respondent was properly charged before the Tribunal;
3. Whether the Investigating Panel made any finding about the conduct of the Respondent towards the Complain-

ant against the rules of professional conduct;

4. Whether there were findings confirming the allegation against the Respondent.

The Prosecution submitted that from the testimonies of the Prosecution Witnesses (which were not dismantled by the Respondent during cross-examination) and deductions from Exhibit A (the report of the Investigating Panel), the answer to these questions are in the affirmative. The Prosecution affirmed that it has discharged the onus required of him for proving the case against the Respondent and therefore urged the Tribunal to hold the Respondent liable as charged. It cited the case of **UBANATU VS COP (2000) NWLR Pages 118-119.**

The Prosecution finally urged the Tribunal to invoke the provisions of **Section 12 (1) (a) of the Institute of Chartered Accountants Act, Cap 185 LFN 1990** which empowers it to enforce disciplinary sanctions on erring members of the Institute in order to guide against unprofessional conduct by members.

Having considered all the facts and evidence before it in respect of this matter, the Tribunal agrees with the Respondent that Count 1 on the Charge Sheet constituting the offence alleged to have been committed by the Respondent is inconsistent with the petition, and the Prosecution did not lead evidence in support of the allegation that the Respondent carried out "investigation into the Teller and Banking Operations of the Bank between September 2008 and June 2009". Count 1 is therefore dismissed.

On the 2nd count, the Tribunal finds that the Respondent carried out investigation into the allegation of gross financial mismanagement against the Managing Director/Chief Executive Officer of Havilah Microfinance Bank Limited while the Managing Director was on suspension and presented a report on the investigation to the Board of Directors of the Bank without discussing his findings with Mr. Rufus Oluyole (the then Managing Director of the Bank). The Respondent ought to have discussed his findings with the Petitioner to defend himself and clear grey areas before submitting his report which indicted the Petitioner and led to his sack. The Respondent stated in his Final Written Address that his re-

sponsibility was to the Board of Directors of the Bank which appointed him to conduct the investigation and not to the Complainant.

In his testimony, PW1 stated among others, that in the course of its investigation into the complaint, the Panel observed that as the Bank's External Auditor, the Respondent should not have accepted the job of investigating the Bank's Managing Director to avoid conflict of interest and ensure his independence and objectivity. **Fundamental Principles of the Institute in Paragraph 1.2.0(b) and (c) of Chapter 1 of the Professional Code of Conduct and Guide for Members** provides:

**(b)** Objectivity is the state of mind, which has regard to all considerations relevant to the task in hand but no other consideration. A Chartered Accountant should not allow bias, conflict of interest or undue influence to override his professional or business judgments.

**(c)** A Chartered Accountant should act diligently and in accordance with applicable technical and professional standards when providing professional services. A member should carry out his professional work with due skill, care, diligence and expedition and with proper regard for the technical and professional standards expected of him as a member.

This Tribunal finds that the Respondent was neither objective nor did he exercise the due skill expected of him in his professional work. The Tribunal finds the Respondent liable on the 2nd Count.

This Tribunal is however not unmindful of the fact that the Respondent is a first time offender. The Tribunal will therefore exercise its discretion as is provided for under Section 12(1) (a) of the ICAN Act.

Further to the above, the Tribunal cautions the Respondent and makes the following orders that:

1. The Respondent should in his best endeavor desist from any act that is capable of bringing the Institute into disrepute. He must always abide by the Institute's time valued tenets of accuracy and integrity in his professional relationships;
2. The Respondent is ordered pursuant to Paragraph 9(b) of the Chartered Accountants (Disciplinary Tribunal and Assessors) Rules to pay cost of N500,000.00 (Five Hundred Thousand Naira) only, being the cost of the proceedings at the Investigating Panel and the Tribunal;
3. The Respondent shall pay the said cost into the coffers of the Institute within the next 30 days.

**JK4.** If the Respondent fails to comply with the directives in paragraphs 2 and 3 above, he shall be suspended from the membership of the Institute for one (1) year after which, he may apply to the Tribunal for re-admission into membership of the Institute.

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

Dated the 21st day of October 2021

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**COMFORT OLUJUMOKE EYITAYO (MRS), MNIM, CFA, CFE, mni, FCA CHAIRMAN, ACCOUNTANTS' DISCIPLINARY TRIBUNAL**



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## COMMUNIQUE ISSUED AT THE END OF 16TH WESTERN ZONAL ACCOUNTANTS' CONFERENCE, IJEBU-ODE, OGUN STATE HELD ON FEBRUARY 14 TO 17, 2022.



### 1. Introduction

The 16th Western Zonal Annual Accountants' Conference of The Institute of Chartered Accountants of Nigeria (ICAN) was held from February 14 to 17, 2022, in Ijebu-Ode, Ogun State. This conference recorded a combined total attendance of 1,273 participants comprising of physical: 981 and virtual: 292. The theme of the conference was: "Digital Economy: Whither the Professional Accountants". The Conference was declared open on Tuesday, 15th February, 2022 by the Special Guest of Honour, Awujale of Ijebu land, His Imperial Majesty, Oba Dr. Sikiru, Kayode Adetona ably represented by Dagbuwewe of Idowa, Oba Y.O. Adekoya. The opening ceremony featured addresses from Zonal and Conference Chairmen and Key note address by the 57th President of the Institute, Mrs Comfort OluEyitayo and goodwill messages by the Governors of Oyo, Ondo, Ekiti and Lagos States as well as the royal fathers. The conference featured two plenaries and two workshops. A good number of eminent scholars, professionals and technocrats, within and outside Nigeria addressed the conference.

### Recommendations

At the end of deliberations, the conference reached conclusion and made the following recommendations:

#### 2.1 Members

**I.** Professional Accountants must constantly assess the potential impact of technological developments in pursuit

of the public interest mandate, challenge the status quo and interrogate the relevance of value propositions in light of the emerging developments.

**II.** Professional Accountants were encouraged to take up opportunities which technology has opened up, which has also led to a shift of Accountants from the back-end operations to the front seat in decision-making both in the public and private sectors of the economy

**III.** Professional Accountants must be innovative with practical ideas on how to reposition the economy, leveraging our skills and identify areas of collaboration with other professionals in a deliberate effort to change the country's growth and development.

**IV.** Members of the institute were encouraged to support the amendments of ICAN Act through engagement with members of the National Assembly, as well as educating the public that ICAN does not intend to regulate Tax, but ICAN members must not be disallowed from tax practice, which has been their major area of expertise since 1965.

**V.** Professional Accountants were encouraged to join politics and also take interest in joining public service, for most times appointments were given to party faithful and in order of seniority in the public service.

**VI.** Members were enjoined to always attend ICAN capacity building on digital technology as well as visiting you

tube, goggle sites to learn digital transformation programmes free of charge.

**VII.** The fear of Professional Accountants were allayed with the position that Technology will support, and cannot replace Accountant, but the Accountant's work will be more of advisory role, using business intelligence to chat strategic sourcing plan leveraging on data management tools as well as being conversant with the Disaster Recovery Plan (DRP).

**VIII.** Since Fin-tech is now seriously playing a significant role in Nigerian financial system, Professional Accountants were encouraged to come together and operate similar Fin-tech services.

**IX.** Members were advised to be familiar with new Audit Regulations in Nigeria which has empowered Financial Reporting Council of Nigeria, to call for a special investigation at any time, or review of any firm or engagement partner, either due to audit failure or any notified breach of these Regulations;

**X.** Members who are in practice and desirous of maintaining high standards of operation that will meet the Financial Reporting Council of Nigeria quality assurance test were again encouraged to embrace partnership most especially firms through merger in order to meet the guideline on Quality Assurance as provided in 2020 Audit Regulations.

**XI.** Members were advised to strike good work balance in order to stay healthy.

## 2.2 The Institute

**I.** The Conference acknowledged the fact that the Institute has over the years improved the electoral process from what it used to be, but encouraged members to put forward proposals to the Council for further improvement and transparency.

**II.** The ICAN secretariat was challenged by members on the need to improve their services to members of the Institute by responding effectively and efficiently on their requests.

**III.** The institute was advised to continuously review its curriculum in order to build competencies for both existing and aspiring members.

**IV.** ICAN should mandate Institutions to improve their curriculum by inculcating local and International contents during accreditation exercise. The Institute need to let students know that they can fit in by leveraging on existing digital technologies e.g. Block chain.

**V.** The Institute should develop Certification courses in digital technology as it would give leverage in training digital information technology.

**VI.** The Institute was advised that credit hours should be attached to digital transformation programme in order to encourage members to come for the capacity building.

**VII.** ICAN was advised to set up advisory Committee at the National and District levels that would be engaging relevant MDAs quarterly at both Federal and State levels for the purpose of providing advisory roles on economy, budget, taxation and any other contemporary issue that will contribute positively to the economic growth of Nigeria rather than waiting for the Government at all levels to Invite ICAN for such engagement.

**VIII.** The Institute are encouraged to give publicity to Communique agreed at all conferences be it National or Zonal Conferences and circulate same to all

relevant authorities

## Government and Governance

**I.** There is urgent need to address the challenges faced by Tax Administrators in a digital economy which includes unfair advantage to non-resident companies, absence of international consensus on the applicable rules for nexus, allocation of taxing rights and difficulty in identifying parties to digital transactions.

**II.** A digitalized environment will result in the capture of more persons who are presently outside the tax net and yield improved revenue. To achieve this, there is an urgent need to deal with identification and enumeration issues. Tax Authorities should encourage the use of data and intelligence to detect where conflicting information is given by a taxpayer to different agencies of government.

**III.** Government should renegotiate tax treaties with international communities to reflect the reality of taxation in digital economy and enact new digital tax law or amend existing law to aid effective taxation of digital economy

**iv.** Government should invest in tax administration technology to empower the tax authorities and carry out robust oversight of the financial system to track electronic flow of money and alternative currency, in and out of Nigeria.

**v.** Government should take some measures to cater for the "digitally excluded" and effective transition by encouraging cooperative tax compliance and move from the current system of e-compliance to full digitization, with seamless user-friendly digital tax platform to provide an end-to-end suite of solutions.

**vi.** Government should frequently engage stakeholders to obtain first-hand feedback and publish revenue collection data annually by type of tax, number of taxpayers and cost of collection.

**IX.** There must be a political will for government at all levels to ensure full compliance with the rule of law and demonstrate it to the public

**X.** Government should ensure that Taxation is linked to the provision and improvements in the quality of public infrastructures and social services

**XI.** Government should amend the constitution to clarify the taxing powers of various tiers of government, to eradicate overlapping jurisdictions that result in multiple taxation.

**XII.** Government should amend tax laws to resolve ambiguous and draconian provisions.

**XIII.** Government should encourage Tax authorities to utilize one central identification number that harmonizes various identities (NIN, TIN, BVN etc and promote professionalism and implement continuous capacity building for tax officials at all levels.





# The 8 Best Diets for 2022, According to Experts

## Plus, the 3 That Ranked Lowest

*U.S. News & World Report* has released its annual list of Best Diets Overall, and while the order is slightly different from last year's list, the top five picks of the 40 diets evaluated remain largely the same.

Here's how the decision process worked: The list of Best Diets Overall was chosen by a panel of 27 experts in diet, nutrition, obesity, food psychology, diabetes, and heart disease. The experts evaluated modern and popular diets based on seven categories: the diet's safety, how effective the plan is for short- and long-term weight loss, how easy it is to follow, its nutritional completeness, and its potential for preventing or managing diabetes and heart disease.

The experts ranked the diets in nine different lists, including Best Diabetes Diet, Easiest Diets to Follow, and Best Plant-Based Diets. But the main list that took all seven scored categories into consideration was the Best Diets Overall. To compile this list, *U.S. News & World Report* combined the panel's ratings of the seven categories, giving more weight

to the long-term weight loss and safety category scores.

Here are the eight plans that took the top five spots for overall best diets—and three that ranked lowest.

### 1. Mediterranean diet



The Mediterranean diet ranks at the very top yet again this year—the fifth year in a row, in fact. The eating pattern has long been considered the gold standard for nutrition, disease preven-

tion, wellness, and longevity. The diet is rich in vegetables, fruits, whole grains, nuts, pulses (ie, beans, lentils, peas, chickpeas), and olive oil. It also calls for fish at least a few times per week and allows for poultry, eggs, and dairy in moderation. It severely limits processed foods, added sugar, and red meat and naturally provides a wide range of anti-inflammatory antioxidants, including those from moderate amounts of red wine. (Note: Wine is not a requirement of the diet, but one 5-ounce glass per day for women and two for men is typical for those who follow the diet.)

Numerous studies have shown that people who live in countries that border the Mediterranean Sea—and continue to eat the region's traditional diet—live longer and have lower rates of chronic diseases, including cancer and heart disease, the latter of which remains the top killer of US adults, according to the Centers for Disease Control and Prevention.

Proponents often cite a 2018 Italian study when discussing the diet's benefits. The study found that following a

Mediterranean diet was associated with lower levels of weight gain and less of an increase in waist circumference over a 12-year period. And research supports the diet's ability to improve outcomes for type 2 diabetes, heart disease, obesity, and metabolic syndrome. Also on the pros list: the diet is nutritionally sound and balanced and provides a diverse array of filling, satiating foods and flavors.

However, there really isn't one single Mediterranean diet. For example, people in Greece eat differently from those in Italy and Spain. While the traditional diets in this region share many of the same principles, the Mediterranean diet is an eating style and way of life, not a rules-oriented diet. As such, there are no guidelines for specific portions, calorie targets, or meal configurations, which can be frustrating for some.

That said, you may lose weight simply by shifting your intake away from processed foods and toward more fiber- and nutrient-rich produce and whole foods. The diet also encourages at least two and a half hours per week of moderate intensity activity, along with a few days of muscle-strengthening exercises, though these can include recreational activities like walking and gardening.

Besides there being no one true set of strict rules to follow, another con is that the diet can potentially be costly. Although, you can reduce your grocery bill by buying certain foods like in-season produce, bulk grains, and canned beans. The diet also generally requires cooking. If you'd like to follow the plan with a bit more structure, consider consulting with a registered dietitian who can help you determine how to plan Mediterranean meals tailored to your personal needs and goals. You can also look for meal delivery services, cookbooks, and other online resources that support the plan, of which there are plenty of options.

## 2. (tie) DASH diet

Slotting in at number two once again on the list is the DASH diet. DASH is an acronym for Dietary Approaches to Stop Hypertension, but it's not just for people with high blood pressure. DASH is promoted by the National Heart, Lung, and Blood Institute, which is part of the National Institutes of Health. This



plan borrows elements of the Mediterranean diet, but it is a very specific eating pattern. In addition to being effective for reducing blood pressure, the highly researched DASH diet has been shown—including by a 2021 study—to promote weight loss, protect heart health, and lower the risk of type 2 diabetes and stroke.

DASH recommends specific portions from various food groups, depending on a person's daily calorie needs. For example, a 1600-calorie DASH diet (a typical calorie level for a woman over 40) includes the following:

- 6 servings of grains daily, with emphasis on whole grains
- 3-4 servings of vegetables daily
- 4 servings of fruit daily
- 2-3 servings of low-fat dairy daily
- 3-4 ounces or less of lean meat, poultry, or fish daily
- 3-4 servings of nuts, seeds, and legumes per week
- 2 servings of fats and oils daily
- 3 or fewer servings per week of sweets
- A maximum of 2,300 mg per day of sodium

The word "diet" may suggest a temporary or quick-fix approach, but DASH is meant to be followed for the long haul. The plan is recommended as part of a lifestyle that also includes limiting alcohol, coping with

stress, being physically active, not smoking, and getting plenty of sleep.

DASH has actually been in existence for over two decades, and I have counseled many people about how to follow the plan. It's fairly straightforward, and while the rate of weight loss with DASH can be slow, it's sustainable long term. My one issue is the lack of obvious alternatives to animal protein for those who are looking for a plant-based plan. It's also a bit lower in healthful fats than I typically recommend. Again, if you're looking to tailor the plan to your preferences, consult with a dietitian for a customized DASH plan.

## 2. (tie) Flexitarian diet



"Food blogs were aflutter this year over 'flexitarian,' the latest word in gastro-nomic circles," *the New York Times* reported back in 2004. Nearly two decades later, the diet is still going strong, tying at second for another year.

In a nutshell, a flexitarian diet is primarily a vegetarian diet, with the occasional inclusion of animal protein. Since the term began buzzing, numerous studies, including a 2016 research review, have shown that the shift toward a mostly plant-based diet is tied to lower body weight and a reduced incidence of chronic diseases, including improved markers of metabolic health, blood pressure, and reduced risk of type 2 diabetes.

However, there is no one way to follow a flexitarian diet—there is no one universal guideline on the number of times per week animal products are consumed or



on what the overall makeup of a day's worth of meals should be in regards to servings of produce, whole grains, etc. A study from 2021 found that young adults don't view flexitarianism as an all or nothing approach—"one does not have to be a full vegetarian or a meat eater, but can instead be something in between," the researchers wrote about the participant's outlook on the diet. There has been movement to better define and categorize different approaches to the diet for those who want a more concrete label, though. A 2021 study in the journal *Appetite* segmented flexitarian diets into three types: climatarian (limit beef and lamb consumption); one step for animals (eliminate chicken consumption); and reducetarian (reduce all meat consumption).

The best way to follow the overarching flexitarian plan for weight management and overall health is to maximize your intake of whole, plant foods and minimize highly processed foods, even if they are fully plant-based. In other words, opt for dishes like a grain bowl made with leafy greens, veggies, quinoa, lentils, and tahini over a vegan cheeseburger with fries.

If the bulk of your meals is comprised of a variety of whole, plant-based foods and plant proteins, you can enjoy occasional servings of animal foods while reaping a number of nutrients and health benefits.

#### 4. The MIND diet



Moving up from the fifth spot from last year's list, MIND combines aspects of the Mediterranean and DASH diets to create an eating pattern designed to

focus on brain health. Even though its main targets include preventing dementia and age-related cognitive decline, the MIND diet can be followed by anyone for weight loss and overall wellness.

MIND specifically stands for the Mediterranean-DASH Intervention for Neurodegenerative Delay. Because both the Mediterranean and DASH diets have such strong research to support their healthfulness, MIND highlights aspects of the two that are particularly protective to the brain.

Rather than a set meal plan, MIND's primary directive is to eat more of 10 brain-defending foods, which are:

- Green, leafy vegetables—Aim for six or more servings per week.
- All other vegetables—Get in at least one serving a day in addition to your leafy greens, particularly non-starchy veggies.
- Nuts—Have five or more servings weekly.
- Berries—Eat them at least twice a week.
- Beans—Take them in at least four times per week.
- Olive oil—Use it as the main prep and cooking oil.
- Whole grains—Include at least three servings per day.
- Fish—Eat it at least once a week, particularly fatty fish high in omega-3s, like salmon, sardines, mackerel, trout, and tuna.
- Poultry—Aim for un-fried chicken or turkey twice a week or more.
- Wine—Drink no more than one glass daily, and make that glass a red wine.

The plan also lays out five foods to avoid, as they have been shown to hinder brain health:

- Butter and margarine—Limit to less than 1 tablespoon per day.

- Cheese—Stick to once per week or less.

- Red meat—Have no more than three weekly servings.

- Fried food—Limit to less than once per week.

- Pastries and sweets—Consume no more than four times per week.

Since MIND is newer than both the Mediterranean and DASH diets, there are fewer studies on its outcomes. However, the research on its health benefits that has been published is impressive. In one study of nearly 1,000 older adults, those who followed the MIND diet most closely had a 53% lower risk of developing Alzheimer's disease compared to those who deviated from it most.

U.S. News & World Report cites a 2021 study, which found that the MIND diet may have protective effects against Parkinson's disease. Starting MIND at about age 65 was associated with delaying Parkinson's onset—up to about 17 years later for women and eight years for men, according to the study.

As for weight loss, 2020 research in *Nutrition Journal* of more than 6,500 participants with obesity found that following MIND had no impact on body weight or waistline size. One possible reason for the lack of weight loss—and another downside of the MIND diet—is a lack of information about how to transform its guidelines into concrete meal plans and recipes. There are books and online resources to help, but customizing the plan to your eating preferences and weight loss goals may require some expert guidance.

#### 5. (tie) Mayo Clinic diet





Staying tied in the fifth position, the Mayo Clinic diet is from the highly esteemed US academic medical center that focuses on integrated health care, education, and research. The 12-week program is based on research-backed, tried and true healthy habits, including eating unlimited veggies and fruit, consuming whole grains and healthy fats, and limiting sugar to what's naturally found in fruit.

The plan includes two phases. The first, called "Lose it!," touts weight loss of six to 10 pounds in two weeks by focusing on lifestyle habits that are associated with weight. After two weeks, the next phase, "Live it!," focuses on how to consume your calories—though that's not something you have to count—in a healthful, balanced way. The diet stresses a long-term, maintainable lifestyle approach.

An all-new digital version of the program is offered for \$49.99 per month, or as low as \$19.99 per month if you sign up for a year. It includes meal plans, recipes, a food tracker, virtual group video sessions, access to a private Facebook group, at-home workouts, a psychological quiz to assess diet mindset, and guidance on behavior change, nutrition, sleep, stress management, and goal setting. Sample meals, based on various eating styles, such as vegetarian, healthy keto, and Mediterranean can be viewed on the Mayo Clinic's website.

#### 5. (tie) TLC diet



TLC stands for therapeutic lifestyle changes, and it's breaking its way into the top five this year. Published by the National Institutes of Health, TLC advo-

cates for taking control of your heart disease risk by adopting a heart protective lifestyle. The plan was originally created in 2002.

Designed as a way to manage cholesterol, the TLC guidelines may also help you lose weight and lower your risk of other chronic illnesses. The dietary component calls for:

- 25–35% of daily calories from total fat, with:

- Less than 7% of daily calories from saturated fat.

- Up to 10% of total calories from polyunsaturated fat.

- Up to 20% of total calories from monounsaturated fat.

- 50–60% of total calories from carbohydrate with:

- 20–30 grams per day of dietary fiber.

- Approximately 15% of total calories from protein.

- Less than 200 mg a day of cholesterol.

- Additional options for reducing LDL cholesterol, including consuming two grams of plant stanols or sterols per day or 10–25 grams of soluble fiber per day.

- Only enough calories to reach or maintain a healthy weight.

TLC also advises at least 30 minutes of a moderate intensity physical activity, such as brisk walking on most, and preferably all, days of the week.

Because TLC recommends 20 to 30 grams of fiber daily, whole foods like vegetables, fruit, pulses, nuts, and whole grains are encouraged. This also fits with the 200 mg per day limit on cholesterol, as dietary cholesterol is not found in plant-based foods. And the allowance of up to 20% of calories from monounsaturated fat makes TLC avocado- and extra virgin olive oil-friendly, giving it some alignment with the top-ranked Mediterranean diet.

In my opinion, though, there are a handful of cons. The high percentage

of calories from carbs and modest allotment of protein may be slightly off base for some. In my practice, I often cap carbs at 40% of calories for less active people or those with lower energy needs, including older adults. And my active clients often require a higher protein intake, depending on their exercise regime and goals.

The other challenging aspect of TLC is translating the numbers into practical meals. Plus, many of the diet's suggestions are also outdated, in my opinion. For example, one suggestion is to opt for Jell-O as dessert, but that's high in sugar and low in overall nutrients. With the current emphasis on whole foods and a reduction in added sugar and highly processed foods, I believe TLC could use an update.

If you decide to give it a try, consider modernizing the plan with a focus on whole foods. And if you need help personalizing the plan based on things like food allergies or intolerances, or how to adapt it to a very active lifestyle, consider meeting with a registered dietitian nutritionist.

#### 5. (tie) Volumetrics diet



Many people believe that weight loss requires eating less. That's absolutely not the case, and the Volumetrics diets proves it. The plan, which was originally developed by Penn State nutritional sciences professor and researcher Barbara Rolls, PhD, more than 20 years ago, is all about filling up by eating a larger volume of food, while simultaneously slimming down.

While no foods are off limits, the idea is to focus on energy density, aka the number of calories in a given portion of food. Foods with high-energy density pack more calories for a relatively small portion, whereas low-energy density foods are low in calories for a larger volume.

Low-energy density foods are encouraged. These include water-rich, non-starchy veggies and fruits as well as broth-based soups. Whole grains, lean proteins, beans and lentils, and low-fat dairy products are allowed in moderate portions. Breads, cheeses, and higher fat meats are limited to small portions. And fried foods, sweet treats, and candy are allowed sparingly.

Rather than laying out exactly what to eat, you are able to choose. But when you select high-energy density foods, your portions must shrink. The idea is to fill up on low-energy density foods, which are generally healthier and more nutrient-rich, like salads, broccoli, and fresh fruit. For example, you can eat a cup of seedless grapes, about the size of a tennis ball, for the same number of calories as two small cookies. Keeping a food diary is encouraged.

Physical activity is also encouraged, starting with an additional 150 steps per day, with a goal of eventually hitting 10,000 steps daily.

The plan estimates a weight loss of one to two pounds per week, but while the plan is research-backed, the research is a bit dated. However, several studies, including some conducted by Rolls herself, support the overall approach, in terms of weight loss outcomes.

One key pro to the Volumetrics diet is that no food is completely off limits. Plus, the diet emphasizes how to build in can't-live-without splurges in a balanced way, which better supports long-term sustainability.

As far as cons, the diet does require a good understanding of Volumetrics, which involves learning about the various calorie levels of foods in relation to both portion sizes and nutrient levels, which may be cumbersome for some. And truth be told, the premise may not always hold true. For example, I often feel far more satisfied by a mere quar-

ter cup of nuts, a few tablespoons of nut butter, half of an avocado, or a few squares of dark chocolate compared to a much larger volume of popcorn, raw veggies, or fruit. In other words, volume alone doesn't always correlate with satisfaction. Also, the approach could encourage filling up on low-calorie, highly processed "diet" foods, including those made with faux sugars. Not only are these products devoid of nutrients, but the artificial sweeteners may affect appetite regulation.

If you try Volumetrics, focus on upping your portions of low-calorie whole foods first, balanced with moderate to smaller portions of higher calorie whole foods, and can't-live-without treats in moderation.

#### 5. (tie) WW (formerly Weight Watchers) diet



WW ranks highly because it is well-researched, long-standing, and not extreme in its approach. The newest version, called the PersonalPoints Program, is customized based on each member's personal food and lifestyle preferences. WW members have access to meal planners and more than 10,000 recipes; food, water, weight and activity trackers; a restaurant database; on-demand workouts; 24/7 chats with a coach; weekly progress reports; and more. The cost, which varies based on the chosen plan, can be as low as about \$13 per month for a three-month membership.

As for weight loss, U.S. News & World Report cites a 2017 study that looked at more than 1,200 patients who were

overweight or obese. Researchers found that assigning participants to a WW program for at least 12 weeks was more effective than providing brief advice and self-help materials for weight loss.

In my experience as a dietician, WW can work well for people who thrive on being part of community and using digital tools and who also prefer an eating plan that provides structure and accountability but that allows for flexible choices.

#### The 3 diets that ranked lowest



The diets that rated the lowest on the list were the GAPS diet, the Dukan diet, and a modified keto diet.

GAPS stands for the gut and psychology syndrome diet. It's an elimination diet created by Natasha Campbell-McBride, MD, to treat gut and psychology syndrome, a term the author coined to describe the connection between the health of a person's digestive system, brain, and rest of their body. The U.S. News & World Report panel ranks it low due to a lack of research supporting its claims, the level of difficulty to maintain the diet, and cost. The diet requires you to eliminate foods and then reintroduce them one at a time to find out which may be causing symptoms, such as digestive issues and poor brain function. The approach involves a six-phase strict detoxification process, followed by the full GAPS eating regimen, which incorporates fish and meats, animal fats, eggs, fermented foods, and vegetables. All foods should be organic and fresh, and there is a long list of GAPS-specific

foods to avoid, including all processed foods.

The Dukan diet is a high-protein plan that claims to allow up to 10 pounds of weight loss within the first week, with a continued loss of two to four pounds per week until you've reached your weight loss goal. It requires four phases and lays out a number of strict rules, including consuming a daily portion of oat bran, with amounts that differ based on the phase of the diet; limiting vegetables and fruits to only the short list of those allowed, which can only be consumed on certain days; and limiting starches, such as beans, rice, and potatoes, to just one or two servings per week during the third phase of the diet. It rates low by U.S. News & World Report based on its difficulty and potential nutrient shortfalls. As for weight loss and health outcomes, no clinical trials have been published to evaluate the Dukan diet.

The modified keto diet is a low-carb, high-fat plan that calls for a bit less fat than a traditional keto diet—50% to 65% of total daily calories as fat compared to up to about 90% in a standard keto plan. Even though the modified diet may be a bit easier to follow than the traditional keto diet, it ranks low by U.S. News & World Report based upon its restrictiveness.

While each of these three plans may result in initial weight loss, experts fear they may not allow for stick-with-it-ness, an important point to take into account if you're considering adopting any new diet.

#### **A final note about diets'**

In my experience counseling many people over the years, I have come to a few solid conclusions about diets. First, if a diet helps you lose weight but compromises your physical or emotional well-being or social life, it's not a healthy, sustainable option. Second, keeping weight off is about developing habits you can stick with long term. If you can't realistically see yourself following a given diet six months or a year down the road, it's probably not the right approach for you and will likely result in regaining all—and then some—of the weight you lose. Third, weight management and health aren't about being restrictive. The ultimate formula is really about balance and quality of life. Those concepts aren't as sexy as a trendy, new diet, but it's the ultimate win-win for weight loss and wellness.

***Culled from [health.com](https://www.health.com)***





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